
Modernising the BBC's Operating Licence

[Modernising the BBC's Operating Licence](#) – Welsh translation

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CONSULTATION:

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1. Overview

- 1.1 **Audiences should be central to the BBC's activities and Ofcom's regulation of the BBC.** However, what audiences want, and how they watch and listen to content, is changing. Ofcom's regulation should enable the BBC to respond to this changing behaviour, while firmly holding it to account for delivering its Mission and Public Purposes agreed by Parliament. This consultation considers how the BBC's Operating Licence needs to be updated to ensure it remains effective, now and in the future, and sets out our proposal for how a digital multiplatform Licence, rooted in delivery for audiences, will achieve that.

The BBC faces significant challenges, but also great opportunities

- 1.2 **The BBC remains at the heart of the UK's broadcasting sector.** It is the UK's most widely used media provider, reaching just over eight in ten adults each week.¹ It provides an unrivalled range of diverse content, from news and current affairs, education and learning content, drama, documentaries, entertainment, and sport, to coverage of major events which bring the nation together. Its programming can be seen and heard on radio, TV and online by audiences across our nations and regions. It has a huge impact on our creative economy and remains the largest commissioner of content across the UK.
- 1.3 **The BBC is operating in a fast-changing landscape.** In our [Small Screen: Big Debate](#) review published last summer, we set out how technological developments, increasing competition from global players and an ongoing shift in audience behaviour is disrupting the UK media market and creating challenges for the public service broadcasters (PSBs). Similar challenges were considered for broadcasters in the radio and audio sector in Government's [Digital Radio and Audio Review](#). These challenges are compounded by pressures on funding and could impact long term sustainability.
- 1.4 **To respond to these challenges, the BBC is modernising and transforming.** It should continue to innovate to make the most of the opportunities offered by market changes and technological developments. It must also keep updating how it delivers its Mission to inform, educate and entertain to ensure that it reaches and resonates with all audiences. The BBC has recently [set out its strategy](#) for doing this.

To enable the BBC's transformation, we need to update our regulation

- 1.5 **Our regulation of public service broadcasters should reflect industry developments.** We highlighted the need for modernising the PSB system and extending prominence regulation to support PSB sustainability in our [Small Screen: Big Debate](#) review, and Government has set out its intention to reform the PSB framework in its [recent White Paper](#). Our review of [How Ofcom regulates the BBC](#), which is also published today, sets out our plans for

¹ IPA TouchPoints 2021 wave 2.

updating how we regulate the BBC across our remit, as set out in the BBC Charter and Agreement.

- 1.6 **To ensure the BBC continues to deliver for audiences, we need to update our regulation.** Ofcom sets an Operating Licence which ensures that audiences across the UK are well served by the BBC, that the BBC fulfils the Mission and promotes the Public Purposes, and provides distinctive output and services. It consists largely of quotas which are specific to individual TV and radio services, with limited recognition of the delivery of content online. Without reform, the Licence will become out of step with audience behaviour and technology developments and could stand in the way of the BBC's transformation.

A multiplatform digital Licence, supported by increased transparency, will enable us to effectively hold the BBC to account

- 1.7 We have three main principles for the updated Licence:
- a) **The Licence must incorporate the BBC's online services.** BBC iPlayer, BBC Sounds, the BBC website and other online services have become increasingly important for reaching audiences. We want to ensure we hold the BBC to account for its online delivery to audiences, as well as giving it greater recognition for its contribution to the BBC's Mission and Public Purposes.
 - b) **The Licence should give the BBC more scope to determine how to meet audience needs.** Quotas ensure the BBC delivers a minimum volume of content on specific services but they do not capture aspects such as quality and innovation and they can limit the BBC's ability to respond quickly to changing audience preferences. We plan to replace some quotas with new conditions where we consider more flexibility might enable the BBC to better serve audiences, but to retain quotas where we think they are still needed, for example to safeguard distinctiveness and news and current affairs.
 - c) **The Licence will require greater transparency from the BBC.** We have repeatedly highlighted the need for the BBC to be more transparent, but further improvement is still necessary. In order for audiences and stakeholders to be confident about the BBC delivering its Mission and for Ofcom to be able to step away from detailed regulation, the BBC must explain its strategy and plans better and be much clearer about where it is already delivering for audiences and where it can do better. We propose the Licence should require the BBC to set out specific information with its Annual Plan and Annual Report, including its plans for hours of output where we propose to remove quotas.
- 1.8 **We will hold the BBC to account on behalf of audiences.** Greater transparency by the BBC, together with our ongoing monitoring, will allow us to take swift action if we are concerned about the BBC's compliance with its Licence conditions. In addition, we evaluate the BBC's wider performance through our extensive programme of audience research, information provided to us by the BBC and stakeholder engagement. If we have concerns about the BBC's plans or performance, we will not hesitate to impose new Licence conditions.

How we propose to update the Operating Licence – in brief

We propose to set new requirements on the BBC's online services

- The proposed Licence requires the BBC to make important content, including content for the nations and regions and at-risk programming, available for online audiences and make that content easily discoverable; and
- It requires the BBC to explain how it uses these services to fulfil the Mission and promote the Public Purposes, and how they contribute to its performance.

We propose to give the BBC more flexibility where this can enable it to better serve audiences, but to retain quotas where specific safeguards are necessary

The proposed Licence makes some quotas more flexible and replaces others with requirements for the BBC to deliver content, coupled with a requirement to publish detailed information. This is the case with the quotas for:

- network TV: arts and music, religious programmes, content for children and comedy
- network radio: arts, religious programmes, documentaries, social action, live or specially recorded performances and new musical works
- TV opt-out services: programming other than news and current affairs
- BBC ALBA: programmes to learn Gaelic; and
- network TV and BBC iPlayer: first-run originations

Nevertheless, we propose to retain a range of quotas, including to safeguard:

- delivery of news and current affairs on the BBC's TV and radio services
- original UK content on each of the BBC's TV services
- distinctiveness of the BBC's network radio services (music quotas for BBC Radio 1 and BBC Radio 2; live or specially recorded music for BBC Radio 3 and sports coverage for BBC Radio 5 Live); and
- regional production on TV and radio.

We propose to require the BBC to publish more and better information with its Annual Plan and with its Annual Report

Where we propose to remove quotas, the BBC will be required to include specific information with its Annual Plan, including information about:

- its planned hours of delivery of content in certain genres; and
- on which services the BBC plans to put its first-run content.

The BBC will also be required to be more open about how it has delivered on its remit with its Annual Report. In addition, the Licence will include strengthened requirements to ensure more effective reporting on diversity, representation and portrayal.

The increased transparency the Licence provides will enable Ofcom to step in more quickly if we have concerns about the BBC's plans or performance.

We propose to streamline the Licence and make changes in response to specific requests made by the BBC

- Making news and current affairs quotas on network radio annual rather than daily or weekly (while retaining an obligation on the BBC to make news available regularly throughout the day)
- Decreasing the BBC Four original productions quota from 75% to 65%
- Decreasing the breakfast peak time speech quota on local radio from 100% to 75%

Next steps

1.9 This consultation is open until 14 September 2022. We expect to issue a final statement and an updated Licence, reflecting stakeholders' comments on our proposals, in early 2023, in time for the new Licence to take effect on 1 April 2023. The Government is currently conducting its Mid-Term Review of the BBC Charter,² and we will update the Operating Licence following completion of this review if necessary.

² Department for Digital, Culture, Media & Sport, 26 May 2022. [BBC Mid-Term Review: Terms of Reference](#).



2. Background to this consultation

We set the current Operating Licence when we began regulating the BBC in 2017

- 2.1 We are required by the Charter and Agreement to set an Operating Licence for the BBC's UK Public Services.³ The Licence is an important part of how we regulate the BBC's performance and hold it to account for fulfilling its Mission and promoting the Public Purposes.
- 2.2 The BBC Board has a separate and distinct role to ensure the BBC fulfils its Mission and promotes the Public Purposes, and to set the strategic direction and creative remit for doing so.⁴ It is also the BBC Board's responsibility to set budgets for BBC programmes and services.
- 2.3 The Charter and Agreement contain specific detail on the conditions we must set in the Operating Licence, and also set out Ofcom's responsibility for enforcing the BBC's compliance with these conditions. In general, we must set regulatory conditions that require the BBC to:
- fulfil its Mission and promote the Public Purposes;
 - secure the provision of distinctive output and services; and
 - secure that audiences in England, Scotland, Wales and Northern Ireland are well served.⁵
- 2.4 The Agreement also requires us to set specific conditions in the Operating Licence for third party online material, and the quantity and scheduling of news and current affairs, as well as quotas for original productions and nations and regions programming and programme-making. In addition, in setting the first Operating Licence, the Agreement required us to set certain regulatory conditions, covering at-risk genres,⁶ music and sports coverage on BBC radio services, and improving the provision of news and current affairs and children's output and education in relation to online services. These conditions do not have to be retained beyond the first Licence.
- 2.5 In line with these requirements, we set the [first BBC Operating Licence](#) in 2017. Section 1 of that Licence contains objectives that explain our expectations for how the BBC must deliver each of its Public Purposes. This is followed by Schedule 1, which contains enforceable regulatory conditions. These conditions consist largely of quotas that require the BBC to provide a minimum number of hours of content across different genres on

³ UK Public Services means the services included in the list maintained and published by the BBC under Part 1 of Schedule 1 to [the Agreement](#), as amended by the BBC from time to time.

⁴ Article 20(3)(a) and (b) of [the Charter](#).

⁵ Article 46(3) of the Charter.

⁶ The Agreement defines these to be genres that provide a particular contribution to the Mission and Public Purposes, are underprovided or in decline across public service broadcasting, including music, arts, religion and other specialist factual content, comedy, and children's programming.



specified TV and radio services. Typically, we set the quotas to reflect the level and delivery method of the BBC's output in 2017. The Licence therefore contains only limited recognition of the BBC's online services, such as BBC iPlayer and BBC Sounds.

As we near the mid-point of the current Charter period, we are reviewing our regulation of the BBC

- 2.6 We are required by the Charter to “carry out and publish two or more detailed periodic reviews” in this Charter period (2017 to 2027),⁷ the first of which must be published “in sufficient time” to inform the government’s Mid-Term Review.⁸ The government’s review must be completed by 2024.⁹
- 2.7 We began this first review with the publication of an [Initial Consultation](#) in July 2021, which set out proposals across our three areas of BBC regulation – performance, standards and competition – to ensure all audiences continue to be well served by the BBC over the remainder of this Charter period, and beyond. This built on our [Small Screen: Big Debate](#) review, which made recommendations to Government on the future of public service media (PSM), focusing on the video sector. Since then, in April 2022, the government published a [White Paper setting out its vision for the broadcast sector](#). It sets out the steps the government plans to take to support the PSB system and recognises the need to update regulation to ensure that PSBs continue to deliver for all UK audiences. Alongside the White Paper, the government also published its [response](#) to the [Digital Radio and Audio Review](#), setting out its views on how these sectors could be strengthened in the context of changing listening habits and the diverse ways in which services are now distributed.
- 2.8 This consultation sets out and builds on our initial proposals for reviewing the BBC Operating Licence, taking into account the responses to our Initial Consultation, [our review of the BBC's performance to date](#) and the evidence accumulated through our audience research and [annual reports on the BBC](#) each year.
- 2.9 Alongside this, we have published a report on [How Ofcom regulates the BBC](#), setting out our findings across all our duties and making recommendations for how our regulation could evolve through to 2027. We have also published [the research](#) we have undertaken for this review.

⁷ Article 51(1) of the Charter.

⁸ Article 51(2) and Article 57 of the Charter.

⁹ Article 57 (3) of the Charter.



We have considered the impact of our proposals

- 2.10 Ofcom has a legal duty to carry out impact assessments where our policy decisions are likely to have a significant effect on businesses or the public, or when there is a major change in Ofcom's activities.¹⁰ Our assessments of the potential impact of our proposals have been informed by the responses received to our Initial Consultation, and the research we have undertaken, and are explained throughout this document. We have also taken consultation responses into account in considering whether the requirements we propose to place on the BBC in the Licence have the potential to harm fair and effective competition.
- 2.11 We consider that our proposals for a new Operating Licence are proportionate and will ensure Ofcom continues to discharge its functions under the Charter and Agreement in the interests of audiences for the remainder of this Charter period. We do not consider that our proposals will have a significant impact on fair and effective competition. The focus of our approach is to put in place a digital multi-purpose Licence that is fit for purpose. However, if the BBC did make substantial changes in future, potential competition effects would need to be considered by the BBC and, if necessary, Ofcom, under existing processes.¹¹
- 2.12 We have also carried out an Equality Impact Assessment (EIA), set out in Annex 3.

About this consultation

- 2.13 We are asking for responses on our proposals for a new Operating Licence across each of the BBC's Public Purposes, as well as views on how Ofcom should assess and measure the BBC's performance. We are also seeking views on the BBC's request to change the original productions quota on BBC Four. The consultation questions are set out in full in Annex 8.
- 2.14 **Section 3** discusses the challenges facing the BBC and provides context for the proposals set out in the rest of the document.
- 2.15 **Section 4** explains our ambitions for a new Operating Licence and sets out our three main principles – incorporating the BBC's online services, allowing the BBC more flexibility in how it meets audience needs, and requiring greater transparency from the BBC.
- 2.16 **Section 5** sets out how we plan to hold the BBC account.
- 2.17 **Section 6** sets out our proposals for Public Purpose 1 (news and current affairs).
- 2.18 **Section 7** sets out our proposals for Public Purpose 2 (learning).

¹⁰ Section 7 of the Act.

¹¹ The BBC has initial responsibility for considering the potential competition effects of changes to its services. If the BBC proposes changes to its output and services that are deemed material within the terms of the Agreement, we will carry out a competition assessment before the plans are permitted to go ahead. In other cases, if there are reasonable grounds to believe that the carrying out by the BBC of any of its public service activities is having a significant adverse impact on fair and effective competition, we can undertake a competition review.



- 2.19 **Section 8** sets out our proposals for Public Purpose 3 (distinctiveness). This section also invites stakeholder views on the BBC's proposal to amend the original productions quota on BBC Four.
- 2.20 **Section 9** sets out our proposals for Public Purpose 4 (diversity, audience representation and portrayal, and nations and regions production and programming).
- 2.21 **Section 10** briefly explains the next steps for Ofcom, including our plans to engage with Government over the coming months on possible changes to the BBC Agreement.
- 2.22 There are supporting annexes on the following areas:
- a) **Annex 1:** Glossary
 - b) **Annex 2:** Comparison between the current and the draft new Operating Licence
 - c) **Annex 3:** Equality Impact Assessment
 - d) **Annex 4:** Legal framework
 - e) **Annex 5:** Responding to this consultation
 - f) **Annex 6:** Ofcom's consultation principles
 - g) **Annex 7:** Consultation coversheet
 - h) **Annex 8:** Consultation questions
 - i) **Annex 9:** [Draft BBC Operating Licence](#)
 - j) **Annex 10:** [BBC Licence change request for BBC Four](#)



3. Market context

- 3.1 Even since we began regulating the BBC in 2017, the choice of content and services available to UK audiences has continued to grow significantly, driven by well-funded global providers such as Netflix, Disney+ and Spotify. There have also been continued shifts in audience behaviour and developments in the technology that people use to access content. These changes can be seen in the video and audio sectors, as well as in the broader online landscape, with audiences also now spending more time on online activities like gaming. Taken together, these changes mean that the BBC must adapt to continue to reach and be relevant to all audiences.

Audiences can access content on a variety of platforms and services

- 3.2 Many audiences continue to enjoy broadcast TV and radio. For example, although time spent listening to live radio compared to other audio activities is in decline,¹² it continues to attract a high audience, with an average of nine in ten adults listening each week, including three quarters of 15-24 year-olds, in the first quarter of 2022.¹³ In particular, audiences value live radio for news and information, as well as for providing easy access to content when going to work or other places in the car.¹⁴ In 2020, Covid-19 restrictions saw broadcast TV viewing increase – reversing the declining trend seen over the last decade – driven by those aged over 45. However, with the lifting of restrictions broadcast TV viewing declined again, with viewing figures in 2021 falling below 2019 levels.¹⁵
- 3.3 Broadcasters also increasingly compete with online activities for audiences' time and attention. For example, the number of households with subscription video on-demand services (SVoDs) like Netflix rose from 32% in 2017 to 69% in Q4 2021,¹⁶ although [recent research from Kantar](#) found that some households are cancelling SVoD subscriptions as the cost of living rises. Our research has shown that a majority (88%) of online adults have used video-sharing services such as YouTube and TikTok¹⁷, increasing to 95% of children aged 3-17.¹⁸ Gaming is also an increasingly popular pastime; 39% of UK adults play games online.¹⁹ In addition, streaming services like Spotify have driven an increase in online audio listening – 48% of adults listened to online music streaming services in 2021, increasing to 80% of 15-24 year-olds.²⁰ Research has also found that audiences appreciate audio services like Spotify, Apple Music and Amazon Music for their more personalised experience and wider range of content.²¹

¹² IPA TouchPoints 2021 w2.

¹³ RAJAR Q1 2022.

¹⁴ [Ofcom research: Exploration into audience expectations of the BBC in the current media environment, 2021, p.6.](#)

¹⁵ BARB.

¹⁶ BARB Establishment Survey. 2017 figure refers to Q1 2017.

¹⁷ [Ofcom Adults' Media Literacy Tracker 2021: Online Behaviours and Attitudes survey.](#)

¹⁸ [Ofcom Children and parents: media and attitudes report 2022.](#)

¹⁹ Ofcom Adults' Media Literacy Tracker 2021: Core survey.

²⁰ IPA TouchPoints 2021 w2.

²¹ Ofcom research: Exploration into audience expectations of the BBC in the current media environment, 2021, p.6.



- 3.4 To better reach the growing number of audiences who consume content online, particularly in younger age groups, the BBC has expanded its online services. For example, it launched BBC Sounds²² in 2018 as part of its strategy to adapt to changing audience behaviours, and in 2019, Ofcom [approved the BBC's plan to increase content availability by developing BBC iPlayer](#) beyond a 30-day catch-up service. The BBC has had success with these services – BBC iPlayer received record viewing in 2021, with requests up 28% on the previous year.²³ For BBC Sounds, our survey data indicates that weekly reach in 2022 was 21%, behind Amazon Music (25%) and Spotify (32%).²⁴
- 3.5 However, there are still audience groups who watch and listen to large amounts of content on traditional broadcast services, including from the BBC, who must continue to be served. For example, our research shows some audiences find the amount of content on SVODs overwhelming and confusing, while broadcast TV is seen to be easier and more reliable to navigate.²⁵ There are also some audience groups who do not have ready access to online services - 6% of households do not have access to the internet at home, rising to 14% in lower socio-economic groups and 20% of those aged 65 and over.²⁶

“There’s too many things to watch, it’s quite hard to decide what to watch, it’s overwhelming”.²⁷ **Girl, under-18**

The BBC must adapt to appeal to audiences in an ever-evolving media market

- 3.6 The BBC has a unique role, set out in its Mission, to serve all audiences across the UK. Audiences feel the BBC continues to be part of the ‘fabric of the nation’ and there are some areas where it performs particularly strongly; for example, our research has found that audiences particularly associate the BBC with big TV moments, live events of national importance, and news.²⁸ This was particularly evident during the Covid-19 pandemic, with the Prime Minister’s statement about the easing of lockdown restrictions in May 2020 drawing in 19 million viewers on BBC One, and during Euro 2020, when 18 million viewers tuned into BBC One to watch the England men’s football team play Italy in the final in July 2021. The BBC drew its biggest audience of 2022 so far during its coverage of the Queen’s Platinum Jubilee in June, with an average of over 11 million people watching the Platinum Party at the Palace concert on BBC One.²⁹ In addition, audience research has found that listeners rate BBC radio highly – over six in ten weekly listeners feel it is of higher quality and has a greater range of content than other providers.³⁰

²² BBC Sounds replaced BBC iPlayer Radio – the previous online audio service from the BBC.

²³ BBC Annual Report and Accounts 2020/21.

²⁴ Ofcom Audio Survey 2022.

²⁵ Ofcom research: Exploration into audience expectations of the BBC in the current media environment, 2021, p.6.

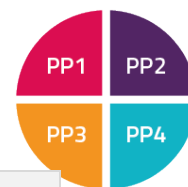
²⁶ Ofcom Adults’ Media Literacy Tracker 2021: CATI omnibus survey.

²⁷ Ofcom research: Exploration into audience expectations of the BBC in the current media environment, 2021, p.19.

²⁸ Ofcom research: Exploration into audience expectations of the BBC in the current media environment, 2021, p.22, 9.

²⁹ BARB. The Party at the Palace figures are for those who viewed it live (at the time it was broadcast) or later that evening on the TV. Including timeshifted viewing, the average audience has increased to nearly 13 million as of 09/06/2022.

³⁰ Ofcom BBC Performance Tracker 2020/21.



“When big occasions happen – it will [be] on the BBC like the Royal Wedding or Wimbledon. BBC is the place to turn when something big is taking place”.³¹ **Man, 30-55yrs**

“The BBC helps give a sense of community with live events because everybody will talk about it the next day and say “did you see that last night” – you don’t get that with streaming platforms”.³² **Man, 55+**

- 3.7 The shifts in audience behaviour, the continued developments in the UK media landscape and the financial pressures facing the BBC, present it with challenges – and opportunities – in how it appeals to and maintains audiences across the diverse communities of the UK. For example, as we set out in *Small Screen: Big Debate*, the BBC should use its full range of services – both broadcast and online – to reach and maintain strong links with audiences.³³ We have also noted the importance of the BBC in providing distinctive, original UK content that sets it apart from other providers, which is increasingly important in an ever-crowded media market.³⁴
- 3.8 Our research has found however that many audiences still see broadcaster video on-demand (BVoD) services like BBC iPlayer as catch-up services for content missed on traditional TV channels, as opposed to destinations for seeking out new content.³⁵ In addition, the BBC has been less successful than commercial radio in attracting online listeners – commercial radio accounts for 55% of all live online radio listening hours, compared to 41% for the BBC.³⁶ For 15-24 year-olds, this drops further to 31% for the BBC compared to 67% for commercial radio.³⁷ It is therefore important that the BBC continues to adapt to ensure it can deliver for all audiences.

³¹ Ofcom research: Exploration into audience expectations of the BBC in the current media environment, 2021, p.9.

³² Ofcom research: Exploration into audience expectations of the BBC in the current media environment, 2021, p.9.

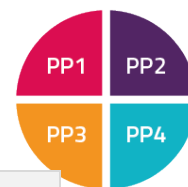
³³ Ofcom, July 2021. *Small Screen: Big Debate – Recommendations to Government on the Future of Public Service Media*, p.3.

³⁴ Ofcom, November 2021. [Ofcom Annual Report on the BBC 2020-21](#), p.3.

³⁵ Ofcom BBC Covid-19 research.

³⁶ The remaining 4% is attributed to non-RAJAR subscribing stations including community radio, international radio and some online-only UK stations.

³⁷ RAJAR Q1 2022.



“BBC iPlayer is like an old-fashioned library where you can browse some books. But Netflix and [Amazon] Prime have got a better algorithm. They feel more interactive compared to iPlayer which is more static”.³⁸ **Man, 55+**

“That’s why streaming services are pretty good because there’s usually stuff to suit all tastes”.³⁹ **Woman, 55+**

The BBC has set out its strategy for the remainder of this Charter period

- 3.9 The BBC is facing significant pressures on its funding. The BBC’s total income has fallen by 4.5% in real terms⁴⁰ since 2017/18,⁴¹ driven by a decrease in total licence fee revenue, from £4.01 billion to £3.75 billion. The level of the licence fee has also been [frozen for two years](#), which the BBC estimates will require it to make £285 million in annual savings as of 2027/28.⁴² At the same time, the BBC now competes for audiences with large global companies which have much greater financial resources to invest in services and content. The cost of making programmes has also increased in recent years, with cost-per-hour of first-run originated content provided by PSBs 9% higher in 2019 than in 2015.⁴³
- 3.10 In this context, the BBC has set out its plans for how it intends to deliver for all audiences over the remainder of this Charter period. In his [first speech as Director-General](#), Tim Davie set a challenge: to consider what the BBC would do if it could only make 80% of its current hours and where it could generate most value. The BBC also set out in March 2021 how it [plans to deliver for all audiences across the UK’s nations and regions](#).
- 3.11 Most recently, the BBC has set out its [plans to become a digital-first public service media organisation](#) and the Director-General has made clear the BBC must reform to stay relevant.⁴⁴ The plans set out how the BBC will respond to its financial challenges by making cuts and changes to some of its content and services, and instead refocus its investment where it considers it will have the most impact for audiences. For example, the BBC said it plans to shift significant amounts of money into new programmes for BBC iPlayer, with the aims of improving the weekly reach of the service. As these plans unfold, the BBC will need to explain in detail how it will implement the plans, measure their success and report on their effectiveness.

³⁸ Ofcom research: Exploration into audience expectations of the BBC in the current media environment, 2021, p.21.

³⁹ Ofcom research: Exploration into audience expectations of the BBC in the current media environment, 2021, p.14.

⁴⁰ In March 2021 terms.

⁴¹ Ofcom analysis of BBC Annual Report and Accounts.

⁴² BBC, March 2022. [BBC Annual Plan 2022/23](#), p.21.

⁴³ Ofcom analysis of broadcaster data. Cost-per-hour calculated in nominal terms using direct spend and third-party contributions to PSB spend on first-run UK originated hours. This upward trend was interrupted by the Covid-19 pandemic impacting production in 2020.

⁴⁴ BBC Director-General Tim Davie’s speech to staff, 26 May 2022. [‘A digital-first BBC’](#).



4. Ambitions for a new BBC Operating Licence

- 4.1 As set out in our [Initial Consultation](#) in July 2021, the three principles we want to incorporate into the new BBC Operating Licence to ensure it delivers for all audiences are:
- a) incorporating online provision;
 - b) providing the BBC with greater flexibility in how it can best deliver to audiences; and
 - c) increased transparency to hold the BBC to account.
- 4.2 We discuss these principles below and highlight some of the challenges of the current Operating Licence, as well as our high-level proposals to address these. The principles are relevant across the BBC's services, but the ways in which we have incorporated them into our proposals reflects the differences in how the BBC currently delivers for audiences, and particularly between audio and video.⁴⁵

The new Operating Licence should incorporate BBC online services

Challenges with the current Operating Licence

- 4.3 Although the BBC provides content online, the current Operating Licence has limited regulation of the BBC's online services. This means there is limited accountability for how the BBC uses these services to deliver its Mission and Public Purposes, or the benefits they provide for audiences. As people continue to access more content online, this is likely to become an increasing issue over time.

Our proposals to incorporate online provision into the new Operating Licence

- 4.4 Stakeholders were generally supportive of our Initial Consultation proposals that a new Operating Licence should incorporate the BBC's online services.⁴⁶ However, some stakeholders raised concerns that audiences who rely on traditional broadcast TV and radio services could miss out if the Licence were to allow the BBC to focus too heavily on its online services.⁴⁷ It was suggested that the BBC should deliver sufficient content on its broadcast services to fulfil its Mission and Public Purposes, and this should be supplemented with online content until home internet access is more universal.⁴⁸ We have taken account of these concerns in our proposals, and noted that the BBC must fulfil its Mission and promote the Public Purposes across all its UK Public Services, including online. We consider there are three main ways in which the BBC's online delivery should be incorporated into the new Licence.

⁴⁵ We explore this further in Section 8.

⁴⁶ [All-Party Parliamentary Group on Commercial Radio](#), p.1; [Audio UK](#), p.1-2; [CAMERA UK](#), p.1; [Campaign for Regional Broadcasting Midlands](#), p.3; [Professional Publishers Association](#), p.1-2; [Radiocentre](#), p. 2, 15; [S. Stein](#), p.1-2; [Teledwyr Annibynnol Cymru \(TAC\)](#), p.1; [Voice of the Listener & Viewer \(VLV\)](#), p.3; and [Writers' Guild of Great Britain](#), p.1, [3<].

⁴⁷ [Ofcom's Advisory Committee for Northern Ireland](#), p.2.

⁴⁸ [VLV](#), p.3, 5; and [Writers' Guild of Great Britain](#), p.1-2.



- 4.5 Firstly, we want the BBC to be able to maximise reach and impact for audiences by enabling it to deliver content in a way that aligns with consumption habits. Our regulatory conditions should not require the BBC to deliver predominantly through broadcast services, if that is not in the best interests of audiences. We therefore propose to introduce some service neutral⁴⁹ requirements that incorporate both broadcast and online to enable the BBC to meet its regulatory conditions, regardless of which services it delivers the content on. However, we also propose to retain some conditions on broadcast services where appropriate (for example in news and current affairs) to protect audiences who rely on traditional TV and radio services.
- 4.6 Secondly, we plan to introduce transparency requirements to allow us to hold the BBC to account for its online delivery. These conditions would require the BBC to set out how it plans to deliver, and how it has delivered, online services under the Public Purposes.⁵⁰ This is consistent with some stakeholder suggestions that the new Licence should have dedicated conditions for the BBC's online services.⁵¹
- 4.7 Finally, we propose to introduce some requirements which apply specifically to the BBC's online services. In particular, it is not always easy to navigate to particular programming online due to the volume of content available on many on-demand services such as BBC iPlayer. We therefore propose to introduce requirements to ensure the BBC makes its programming easy to discover on its online services including BBC iPlayer and BBC Sounds.

Audiences would benefit from the BBC having greater flexibility to meet their needs

Challenges with the current Operating Licence

- 4.8 The current Operating Licence contains a large number of quotas that require the BBC to deliver set hours on specific television channels and radio stations. Many of these quotas were carried over from the BBC Trust service licences to the current Operating Licence, as we were required to do under the Agreement. Quotas can be important to ensure key content and services are delivered and historically they have been successfully used to meet audience needs across BBC services.
- 4.9 However, quotas do not always guarantee high quality, and the reliance on them in the current Licence does not provide much flexibility for the BBC to direct its resources to specific types of content, or scope for it to deliver it in a way that best meets future audience needs. This lack of flexibility will increasingly be challenging for the BBC, as it operates under greater financial pressure and as audience behaviour continues to change.
- 4.10 Also, despite the significant changes in the UK media landscape discussed in Section 3, and aside from some specific changes, we have not updated the current Licence since it was introduced in 2017 and the quotas have therefore remained largely static since then. As a

⁴⁹ We refer to service neutral as delivery via broadcast TV or radio, or online.

⁵⁰ Specific conditions are set out in the draft new Operating Licence (see Annex 9).

⁵¹ All-Party Parliamentary Group on Commercial Radio, p.1; AudioUK, p.1-2; Radiocentre, p.15; TAC, p.1; and [Wireless Group](#), p.1, 3-4.



result, they will not necessarily reflect current or future audience needs. As the BBC continues to transform over the remainder of this Charter period, the Licence must not unduly limit the BBC's ability to adapt and innovate for audiences.

Our proposals to provide additional flexibility in how the BBC delivers to audiences

- 4.11 We explained in our Initial Consultation that removing some quotas would enable the BBC to better address audience needs. We therefore proposed removing them where they were no longer appropriate and replacing them with transparency requirements.
- 4.12 There were mixed views from stakeholders and some highlighted downsides of quotas being removed.⁵² It was argued that giving the BBC more scope to determine how best to deliver its Mission and Public Purposes could negatively impact audiences and competitors,⁵³ and its public value could decline.⁵⁴ Stakeholders said that without quotas, the availability of content that is less commercially viable, but valued by audiences, would decline and that audiences, as well as producers and writers who rely on the BBC to commission this type of content, could lose out.⁵⁵ Some suggested that quotas ensure the BBC is distinctive⁵⁶ and their removal could impact competition.⁵⁷ Wireless Group recommended additional qualitative conditions as well as quotas to secure distinctive output and high-quality public service programming.⁵⁸ Some also raised concerns about how the BBC would be held to account without quotas.⁵⁹
- 4.13 There was also support from some stakeholders for a more flexible and service neutral approach that would allow the BBC to respond quickly to market changes.⁶⁰ It was suggested that additional qualitative conditions could support how we measure the BBC's performance.⁶¹ The BBC also supported having more scope to determine how it delivers for audiences, suggesting that being able to set detailed targets and requirements would ensure it made decisions with audiences in mind, and would help it operate successfully in the current media landscape.⁶² However, other stakeholders' support for this approach was largely dependent on the Operating Licence setting clear expectations, with strong regulatory oversight by Ofcom, as well as greater transparency from the BBC.
- 4.14 We have taken stakeholders' views into account and consider a new approach to quotas is required in the Operating Licence:

⁵² Ofcom's Advisory Committee for Northern Ireland, p.2; All-Party Parliamentary Group on Commercial Radio, p.2; AudioUK, p.3-4; [ITV](#), p.4; [News Media Association](#), p.2-3, [Pact](#), p.3, 5; Radiocentre, p. 6, 16-17, 27, 32-34; TAC, p.1; VLV, p.3-5; and Writers' Guild of Great Britain, p.2-3.

⁵³ [Pact](#), p.5; and Radiocentre, p.5.

⁵⁴ All-Party Parliamentary Group on Commercial Radio, p.2; [3<].

⁵⁵ Writers' Guild of Great Britain, p.2; [Pact](#), p.3; AudioUK, p.3-4. Ofcom's Advisory Committee for Northern Ireland, p.2-3; VLV, p.4.

⁵⁶ All-Party Parliamentary Group on Commercial Radio, p.2; AudioUK, p.3; Radiocentre, p.2, 6; and TAC, p.1.

⁵⁷ All-Party Parliamentary Group on Commercial Radio, p.2; [ITV](#), p.4; and Radiocentre, p.16-17.

⁵⁸ Wireless Group, p.1, 3-5.

⁵⁹ All-Party Parliamentary Group on Commercial Radio, p.2; Radiocentre, p.30-31; and VLV, p.4-5; and COBA.

⁶⁰ [Ofcom's Advisory Committee for Scotland](#), p.2-3; Ofcom's Advisory Committee for Northern Ireland, p.2; and [ITV](#), p.1, 6.

⁶¹ [Directors UK](#), p.2.

⁶² [BBC](#), p.5-6.



- a) Firstly, we propose to retain some service specific quotas where we consider it remains appropriate, for example those requiring the BBC to provide broadcast TV and radio audiences with certain types of content, and those which help ensure distinctiveness.
 - b) Secondly, we propose to adapt some quotas to be service neutral, to enable the BBC to have greater flexibility to choose how to provide content across its services to best reach audiences.
 - c) Finally, we are proposing to remove some quotas where we consider it would benefit audiences if the BBC had greater flexibility in how it delivers its content. In these cases, the BBC would still be required to deliver set content and would be subject to additional new transparency requirements to enable us to monitor delivery.
- 4.15 These proposals to give the BBC greater flexibility to deliver to audiences are also consistent with the recent Government [White Paper](#), published in April 2022. It set out that it plans to provide the PSBs with greater flexibility in how they deliver their remits.

New transparency requirements will help hold the BBC to account

Challenges with the current Licence

- 4.16 The current Operating Licence has a limited set of reporting requirements which only cover some areas of the BBC's delivery, as the Licence primarily relies on quotas. While the BBC must demonstrate that it has met a quota, it is not required to provide any further information about how it has done so, or what contribution the content has made to the delivery of the Public Purposes and meeting audience needs.
- 4.17 Since we began regulating the BBC in 2017, we have highlighted the need for the BBC to be more transparent. Specifically, we have raised concerns about how it explains its decisions to the public, how it engages with industry on proposed service changes, and how it reports on both its plans and performance. While we have seen some improvement in recent years, we consider that the BBC should provide more comprehensive reporting across its plans and delivery, particularly if it is to have more flexibility in a new Operating Licence to determine how best to deliver for audiences.

Our proposals to introduce additional transparency requirements

- 4.18 We proposed in our Initial Consultation that a new Operating Licence should have additional reporting requirements to increase transparency and to enable us to hold the BBC more effectively to account. There was widespread agreement from stakeholders on our proposals.⁶³ Some said the BBC should be more transparent in how it shares information⁶⁴ and that it should provide more clarity and detail in its Annual Plan and

⁶³ Ofcom's Advisory Committee for Northern Ireland, p.3; Ofcom's Advisory Committee for Scotland, p.1-2, 5; All-Party Parliamentary Group on Commercial Radio, p.1; AudioUK, p.4-5; Campaign for Regional Broadcasting Midlands, p.3; Directors UK, p.1-2; ITV, p.2; [MG ALBA](#), p.1-2; News Media Association, p.1; Pact, p.5-6; Professional Publishers Association, p.2; Radiocentre, p.6, 10, 46; TAC, p.2; VLV, p.3; Wireless Group, p.1, 6; and Writers' Guild of Great Britain, p.2-3.

⁶⁴ All-Party Parliamentary Group on Commercial Radio, p.1; and Radiocentre, p.10.



Annual Report.⁶⁵ Specifically, there were calls for greater transparency on spend and investment,⁶⁶ diversity and partnerships.⁶⁷ In addition, some stakeholders said the BBC could improve its engagement and communication with industry and the public.⁶⁸ The BBC agreed that more flexibility would require it to be upfront with audiences and stakeholders on what it plans to deliver each year to meet its Mission and Public Purposes.⁶⁹

- 4.19 We propose the new Operating Licence should require the BBC to set out with its Annual Plan how it plans to meet its requirements,⁷⁰ and how it has delivered against them with its Annual Report. It should also be required to set out and give reasons for any significant changes⁷¹ it plans to make from its then current provision and report on any differences to its previously published plans. These additional transparency requirements would be particularly important where we propose to move away from quotas.
- 4.20 We explain in greater detail how we will hold the BBC to account under a new Licence throughout this document. We also explore how the BBC can improve its transparency and accountability across all its activities in our [review of BBC regulation](#).

⁶⁵ ITV, p.2; Professional Publishers Association, p.3-4; Radiocentre, p.10; TAC, p.2; VLV, p.3; AudioUK, p.4-5; and Writers' Guild of Great Britain, p.2.

⁶⁶ AudioUK, p.4-5; Campaign for Regional Broadcasting Midlands, p.3-4, 6; MG ALBA, p.1; and Wireless Group, p.6.

⁶⁷ MG ALBA, p.1-2.

⁶⁸ VLV, p.2; Ofcom's Advisory Committee for Scotland, p.2; News Media Association, p.1; Radiocentre, p.7, 46; and Pact, p.3.

⁶⁹ BBC, p.6.

⁷⁰ The transparency requirements refer to specific conditions in the draft new Operating Licence in Annex 9 under each of the Public Purposes and primarily relate to conditions which do not include quotas.

⁷¹ We discuss this further in Section 5.



5. Holding the BBC to account

- 5.1 In this section we set out our proposed approach to hold the BBC to account, through the Operating Licence, for delivering for audiences. We explain the reporting cycle of publications, ongoing monitoring and performance measurement that will allow us to be effective and transparent in our regulation of the BBC under the new Licence. We then discuss our proposed powers to step in promptly if the BBC does not deliver for audiences.
- 5.2 As mentioned above, in response to our [Initial Consultation](#), some stakeholders raised concerns about how the BBC would be held to account without quotas. Holding the BBC to account remains central to our new Licence, and while we are proposing to remove some quotas, our ambition for the Licence is not to regulate less but to regulate more effectively for the future. Under the proposed new Licence, the BBC will have more flexibility to consider how best to meet audience needs, but this flexibility would not remain unchecked. The BBC would be required to be much more transparent about its plans and its performance. This, together with information obtained by Ofcom through audience research, stakeholder engagement and additional information obtained from the BBC, and alongside the assessment of the BBC's performance which we undertake on an ongoing basis, would enable us to step in if we are concerned about the BBC's plans or delivery.

Our proposed approach will enable us to hold the BBC to account for audiences

- 5.3 The Operating Licence will remain structured by the BBC's Public Purposes, with each being supported by clear objectives, conditions and transparency requirements. We believe that this combination of tools will deliver a flexible Licence which accommodates the BBC's online services and allows it to adapt to audience needs, while securing a high level of accountability and transparency.



Figure 1: Structure of the proposed new BBC Operating Licence



Objectives

5.4 In the new Operating Licence, each Public Purpose will have a set of objectives which describe the key elements the BBC must deliver in promoting that Purpose. While not enforceable, these objectives clarify the expectations we have of the BBC and will form the basis of our assessment of the BBC’s performance against its Mission and Public Purposes. Their descriptive nature allows them to be both service neutral and audience focused, ensuring that what the BBC’s delivery for audiences is at the heart of the Licence.

Licence conditions

5.5 As well as retaining or adapting quotas where appropriate, we are proposing a range of new enforceable Licence conditions which support and underpin these objectives. These conditions describe what the BBC must deliver, such as a broad range of original UK content, while offering it the flexibility to determine how best to do so, taking audience needs into account. Some would apply across the BBC’s full range of services including online, while others would apply to specific services. We are also proposing additional



conditions to ensure the BBC makes the full breadth of its programming easy to discover on its online services, including BBC iPlayer and BBC Sounds.

- 5.6 Our assessment of the BBC's compliance with these conditions will go hand in hand with the transparency requirements set out below, as well as our own performance assessment.

Transparency requirements

- 5.7 Under our proposals, new transparency requirements will support the objectives and Licence conditions. These will require the BBC to set out in open, clear and transparent terms the steps it plans to take in areas where we consider quotas are inappropriate, and then to report on these plans. This approach gives the BBC the flexibility to meet changing audience expectations and will benefit audiences, stakeholders and Ofcom by providing a clear view of the BBC's actions and decision making. If we have concerns about the BBC's plans or rationale, our existing regulatory tools will allow us to step in and address them, as discussed in the 'Stepping in' section below.
- 5.8 We propose that for each Public Purpose, the BBC must publish with its Annual Plan the steps it plans to take to provide for audiences in the important areas where we consider quotas would be inappropriate or too restrictive to impose. These include its service neutral and online delivery, as well as where we have proposed the descriptive conditions mentioned above. It must then set out with its Annual Report whether it has taken those steps and explain any significant deviation from its plans. In complying with these conditions, we expect the BBC to place audiences at the centre of its reporting, and we would assess its performance with this in mind.
- 5.9 We would also require the BBC to publish changes it plans to make from its then current provision that may significantly impact its delivery in these areas, (i.e., where we consider quotas are inappropriate or too restrictive to impose), and the reasons for those changes. We do not expect the BBC to report on minor 'business as usual' changes, rather that it is open and upfront with changes that meaningfully alter how it delivers for audiences. A key example of such a change would be significantly reducing output in a certain area, either due to shifting content online or discontinuing it for cost-saving purposes.⁷² We would expect the BBC to explain how it has taken audience preferences and behaviours into account, as well as how it will still deliver the Mission and Public Purposes, when considering these changes. We will also be tracking plans and performance over time to help us identify any significant shifts in BBC delivery. Any changes that require an amendment to the Licence⁷³ or may have a significant adverse impact on fair and effective competition⁷⁴ would continue to be covered by separate processes.
- 5.10 More detailed transparency requirements are included in areas where we have proposed to remove quotas or have concluded that extra transparency is necessary. Where we

⁷² We would also consider incremental changes, such as plans which when aggregated with previous years represent significant reductions over time.

⁷³ Ofcom, 2017. [Holding the BBC to account for delivering for audiences: procedures for setting and amending the operating licence.](#)

⁷⁴ Ofcom, 2017. [Assessing the impact of proposed changes to the BBC's public service activities: procedures for setting and amending the operating licence.](#)



propose to remove quotas, we propose to require the BBC to commit to and report publicly on its level of delivery, thereby ensuring it is held accountable for the greater flexibility it would have. In areas where we consider there to be particular benefit in increasing transparency, we have been more granular about what the BBC must include in its reporting. These include explaining the role of acquisitions and its plans to provide a range of genres and content types, including those that are under-provided or in decline across PSB.

Additional reporting and our ongoing monitoring of BBC performance is central to our approach

- 5.11 Stakeholders agreed that more effective reporting should be required under a new Licence and there were many suggestions about the type of information the BBC should publish.⁷⁵ The BBC also agreed that its Annual Plan is the appropriate vehicle to communicate plans and that it should evidence its compliance with requirements in its Annual Report.⁷⁶
- 5.12 We consider that a reporting cycle of publications, bolstered by our ongoing independent regulatory oversight and our ability to step in where necessary, will form the basis of a more flexible regime that will be effective and transparent in holding the BBC to account.
- 5.13 The fundamentals of this cycle are set out in the Charter.⁷⁷ The BBC's Annual Plan must include for that year (among other things): its creative remit; work plan; and provision for the UK's nations and regions. Its Annual Report then reports on (among other things) how it has complied with its regulatory obligations under the Operating Licence. Finally, Ofcom publishes an Annual Report on the BBC which includes assessment of its performance and compliance with the Operating Licence.⁷⁸
- 5.14 The new transparency requirements we are proposing will strengthen this cycle by ensuring the BBC provides a clear public narrative of how it delivers for audiences.

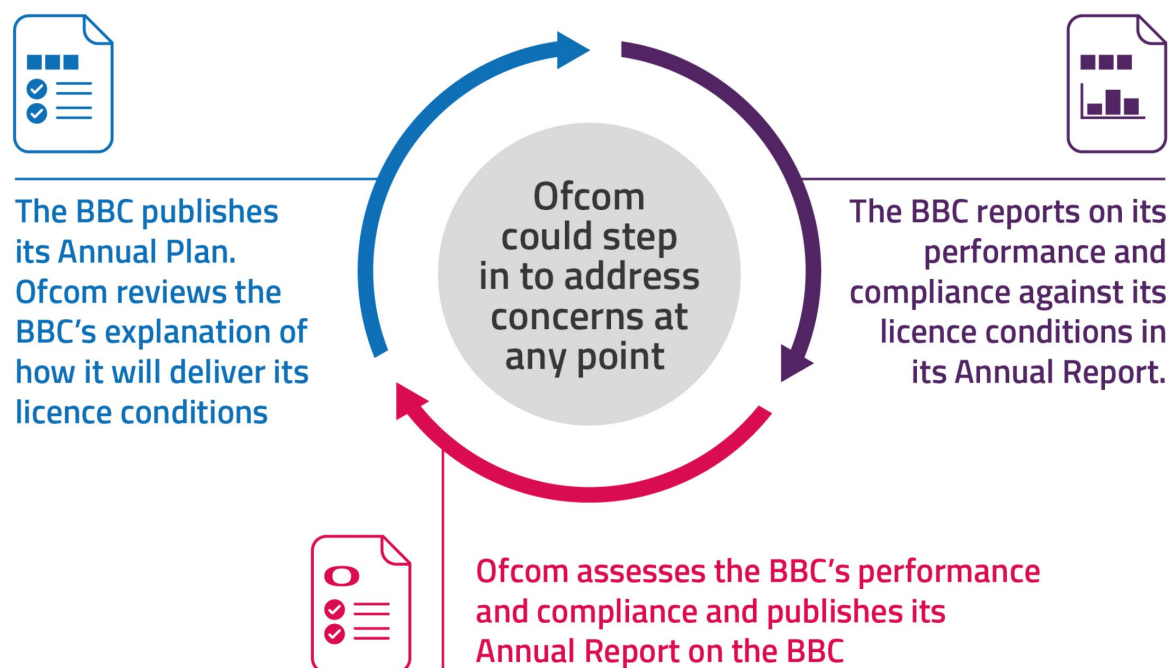
⁷⁵ [Teledywr Annibynnol Cymru \(TAC\)](#), p.2; [Audio UK](#), p.4-5; [Voice of the Listener & Viewer \(VLV\)](#), p.3; [Writers' Guild of Great Britain](#), p.2-3; [Professional Publishers Association](#), p.3-4; [Directors UK](#), p.1-2; [Radiocentre](#), p.6-7; and [Campaign for Regional Broadcasting Midlands](#), p.3.

⁷⁶ [BBC](#), p.6.

⁷⁷ Articles 36 and 37 of [the Charter](#).

⁷⁸ Article 50 of the Charter.

Figure 2: BBC and Ofcom reporting cycle⁷⁹



The BBC's Annual Plan

- 5.15 The new transparency requirements would require that the BBC must set out and explain its plans in key areas with its Annual Plan. These include some specific information such as: the number of hours of particular content the BBC will make available for the year ahead (to ensure Ofcom and stakeholders can track trends); how it would distribute these hours across its services; information about how it plans to reach audiences online; and how its programming contributes to the distinctiveness of its services.
- 5.16 We note that the BBC already publishes some of this information in its Annual Plan, in particular in its 'commitments to delivering its Public Purposes' annex,⁸⁰ which it noted in its response.⁸¹ The BBC's reporting in this area has improved over the last couple of years following discussions with Ofcom, and our proposed requirements build on this.
- 5.17 While it is not in Ofcom's remit to sign off the BBC's plans, we would consider at this stage whether we have any concerns about the impact on delivery for audiences if the plans were implemented. As previously mentioned, we would expect the BBC to set out and give reasons for any changes it plans to make which may significantly impact its delivery in key areas. We would expect the BBC to explain how these changes would reflect audiences' evolving needs.

⁷⁹ In practice, the reporting cycle of publications would take around 20 months to complete, as the BBC's Annual Report is published around four months after the completion of the financial year in question and our Annual Report on the BBC is published around four months after that.

⁸⁰ This section of the BBC's Annual Plan sets out how the BBC intends to promote the Public Purposes across all of its activities. It includes descriptive and quantitative commitments for each service, some of which go beyond our current Operating Licence.

⁸¹ BBC, p.4.



- 5.18 Some stakeholders said that the BBC's plans should be subject to public scrutiny.⁸² Our transparency requirements would increase the BBC's public accountability, but we do not consider it necessary for the BBC's plans to be subject to formal consultation. We would expect the BBC to consider any key issues previously raised by stakeholders, while it is developing its plans. Stakeholder views will also inform our Annual Report on the BBC.

The BBC's Annual Report

- 5.19 In its Annual Report, the BBC currently sets out whether it has met the conditions in the Operating Licence as well as its 'commitments to delivering its Public Purposes', as set out in its corresponding Annual Plan. Our proposed transparency requirements would require the BBC to also report on the plans it set out with its Annual Plan, discussed above, as well as additional areas where we think transparency is important. This would include, for example, the contribution that particular parts of the BBC's delivery have made to its distinctiveness and the steps it has taken to ensure certain content is easily discoverable.
- 5.20 We would also require the BBC to explain, where relevant, any significant deviation from its plans. We note, for example, that in its last Annual Report it published explanations for changes it had had to make as a result of the Covid-19 pandemic.

BBC performance and Ofcom's Annual Report on the BBC

- 5.21 Our Annual Report on the BBC is the final stage in the process in which we carry out our performance and compliance assessment for the previous financial year and take a view on the BBC's delivery of its Licence conditions and its Mission and Public Purposes more broadly. However, this is by no means the only point at which we assess how the BBC delivers for audiences. We continuously engage with the BBC, both informally and using our formal powers, gathering information about its plans and performance and how this impacts audiences. This enables us to investigate and address issues as and when they arise.
- 5.22 We use a rich evidence base to take an informed and independent view of the BBC's performance. We collect a substantial amount of information about the BBC and the markets in which it operates. Some of this information is obtained from the BBC, using our formal information gathering powers, but we also draw on stakeholder views, and wider industry and third party measurement tools. Analysis of market intelligence data gives us insight into the kind of content audiences are enjoying across TV, radio and online. We also track audience attitudes about the BBC and the way it delivers its services, as well as conducting ad hoc and deliberative research to look in depth at key aspects of the BBC's and other broadcasters' delivery.
- 5.23 Our proposed approach to the Operating Licence puts greater emphasis on a more holistic assessment of the BBC's performance. It is important that the way in which we measure the BBC's performance continues to evolve, in particular to capture new ways of delivering content.

⁸² [Pact](#), p.3; and [ITV](#), p.2, 5.



We will step in if we identify concerns

- 5.24 In response to our Initial Consultation, stakeholders agreed that under a new Licence we must be able to step in promptly if we have concerns about the BBC's planned or actual delivery for audiences.⁸³ The BBC also emphasised that such stepping in must be proportionate, used as a last resort and that the BBC must not be subject to unnecessary delays in executing its plans.⁸⁴
- 5.25 In deciding how to respond to concerns, we must consider the respective roles of Ofcom and the BBC Board (as outlined in paragraph 2.2). As previously mentioned, our proposed Licence is intended to support creative ambition, innovation and risk-taking and while we must hold the BBC to account, it is ultimately the responsibility of the BBC Board to set and deliver its creative remit.
- 5.26 Under our proposals, areas in which the BBC would have more flexibility to make changes to its delivery, in line with audience needs, would be subject to heightened scrutiny, as the BBC agreed in response to our Initial Consultation.⁸⁵ As explained above, our proposed transparency requirements secure greater clarity and openness from the BBC and require it to explain significant changes to its current provision or from its stated plans. We would have concerns about plans or changes which have the potential to adversely impact the BBC's delivery for audiences.
- 5.27 Where we identify issues through the reporting cycle, monitoring or our ongoing engagement with the BBC, the first step we are likely to take is to request further information. We will discuss our concerns with the BBC and may publish data and explanations it has provided to enhance its transparency and accountability.⁸⁶ If we conclude there is still a risk of adverse impact to delivery for audiences or non-compliance with Licence conditions, we have a range of further steps we can take.
- 5.28 We intend to take an agile and proportionate approach, aligning our response to the severity of the issue. Steps we could take range from publishing our concerns and setting out where improvements could be made, to carrying out an ad hoc review⁸⁷ or public consultation, or issuing specific directions. One of our key powers is the ability to vary the Licence and set new conditions; this could include adding detailed conditions if we are concerned with how the BBC is using the flexibility provided by less prescriptive Licence conditions. We have power to take enforcement action if a condition of the Licence is breached, including power to impose a financial penalty.

⁸³ [3<], ITV, p.2, 6; [Ofcom's Advisory Committee for Northern Ireland](#), p.3; VLV, p.3; and [Wireless Group](#), p.5-7.

⁸⁴ BBC, p.6.

⁸⁵ BBC, p.6

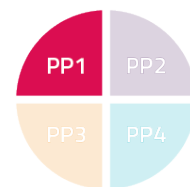
⁸⁶ Article 47 of the Charter gives Ofcom information-gather powers in relation to its functions under the Charter and Agreement.

⁸⁷ Article 51(3) of the Charter.



- 5.29 While these are not new powers, the greater emphasis on transparency under our proposed regime should enable Ofcom to more efficiently identify and address key changes and concerns. Where we do consider it necessary to take enforcement action, we will do so in line with [existing procedures](#). It is important to note that we could choose to take action, where appropriate, at any point during the year.

Consultation question 1: What are stakeholder views on how Ofcom should assess and measure BBC performance?



6. Proposals for Public Purpose 1

Our main proposals include to:

- Retain quotas to ensure that the BBC continues to provide a substantial amount of news and current affairs across its TV and radio services.
- Introduce new requirements for the BBC to make news and current affairs available and easily discoverable on BBC iPlayer and BBC Sounds, and to provide a broad range of in-depth news on the BBC website and apps.
- Replace daily and weekly news and current affairs quotas which apply to some BBC radio services with annual quotas.
- Introduce transparency requirements for the BBC to set out its plans to provide news and current affairs on its online services, and report on the outcome of those plans.

Introduction

- 6.1 Public Purpose 1 requires the BBC to provide impartial news and information to help people understand and engage with the world around them:

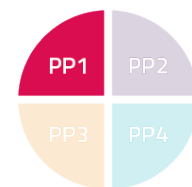
“The BBC should provide duly accurate and impartial news, current affairs and factual programming to build people’s understanding of all parts of the United Kingdom and of the wider world. Its content should be provided to the highest editorial standards. It should offer a range and depth of analysis and content not widely available from other United Kingdom news providers, using the highest calibre presenters and journalists, and championing freedom of expression, so that all audiences can engage fully with major local, regional, national, United Kingdom and global issues and participate in the democratic process, at all levels, as active and informed citizens.” *Article 6 of BBC Charter*

- 6.2 Trusted and accurate UK news is seen as the most important element of public service broadcasting by audiences⁸⁸ and is central to the BBC’s remit. It is vital for ensuring that the BBC fulfils its Mission to inform audiences and contributes to the functioning of a healthy, democratic society.
- 6.3 The BBC is the most used news provider in the UK, and audiences consistently rate the BBC’s performance highly for quality.⁸⁹ This is the case for audiences of all BBC news services, although it is highest among those who use the BBC website and app; just under three quarters of UK adults who regularly use BBC TV or BBC radio for news believe it is high-quality, rising to 79% of regular users of the website and app. In our recent research, we also found that audiences valued the BBC most for its news and educational output.⁹⁰ However, audiences consistently rate the BBC less favourably for impartiality, despite

⁸⁸ [Ofcom PSM Tracker 2021](#).

⁸⁹ [Ofcom 2021 News Consumption Survey](#) online sample only.

⁹⁰ [Ofcom research: Exploration into audience expectations of the BBC in the current media environment](#), 2021, p.22.



rating BBC news highly for trust and accuracy; this is explored further in our [Review of BBC regulation](#).⁹¹

“I think of the BBC as reliable – I check BBC News as it is the most reliable”.⁹² **Man, Family, older children**

6.4 In this section, we describe the current Licence conditions under Public Purpose 1 and the challenges identified with them. We then explain our proposals for the new Licence, including the proposed objectives, quotas, other Licence conditions and transparency requirements.

Public Purpose 1 mainly contains quotas for TV and radio services

6.5 The existing Operating Licence sets out that the BBC is expected to: provide news and current affairs programming across its full range of services; cover regional, national and international stories within this content; provide trusted and reliable news and current affairs to the highest editorial standards; and provide adequate links to third party sources.

6.6 In terms of Licence conditions, Public Purpose 1 primarily contains quotas which apply to TV and radio, and requirements which specify how frequently news and current affairs should be provided on these services. There are only two Licence conditions for BBC Online;⁹³ these relate to children’s news online and adequate links to material provided by third parties.

The lack of online conditions does not reflect how audiences are increasingly accessing news and current affairs

6.7 Whilst TV remains the main way people access BBC news, nearly a third of all online adults in the UK claim to use the BBC website/app, as shown in Figure 3. It is therefore important that audiences are served with news and current affairs on the BBC’s online services. Some stakeholders also felt that it was important to incorporate online services into the Operating Licence, especially for the BBC News website.⁹⁴

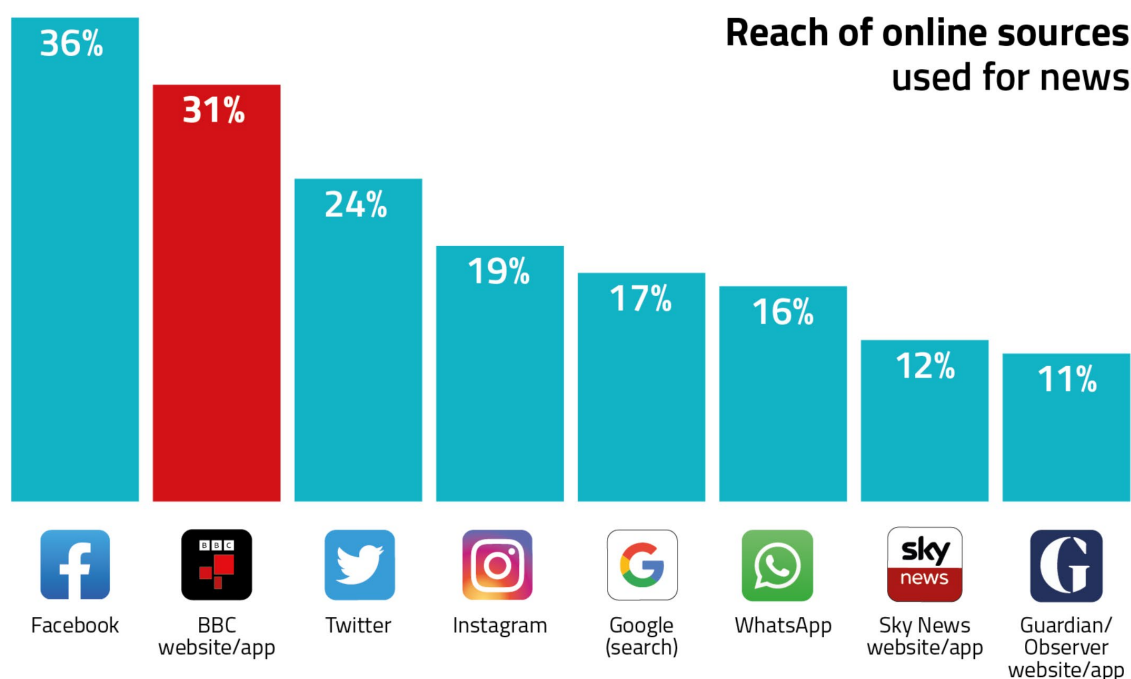
⁹¹ Ofcom 2021 News Consumption Survey online sample only. The survey asks the BBC’s TV, radio and online news audiences about their attitudes to each platform separately.

⁹² Ofcom research: Exploration into audience expectations of the BBC in the current media environment, 2021, p.24.

⁹³ In its [list of the UK Public Services](#), the BBC describes BBC Online as: “a comprehensive online content service, with content serving the whole range of the BBC’s Public Purposes and including the BBC’s news and sports websites and BBC iPlayer”.

⁹⁴ [Camera UK](#), p.1; and [S. Stein](#), p.1.

Figure 3: Reach of online sources used for news nowadays



Source: Ofcom News Consumption Survey 2021 - Online sample only

Question: Thinking specifically about <platform>, which of the following do you use for news nowadays?

Base: All online adults 16+ 2021=3327

“Their [BBC] news coverage is one of the best – they do a good job at being unbiased and it’s why I go to their website for news”.⁹⁵ **Woman, 18-30yrs**

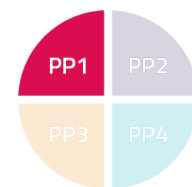
6.8 Although our main focus for Public Purpose 1 is the lack of online regulation, there are a limited number of other issues such as the effectiveness of daily and weekly quotas. We discuss these further below.

We propose to retain most existing conditions for news and current affairs and introduce new online conditions

6.9 The BBC is already providing a broad range of high-quality and in-depth news and current affairs on its TV, radio and online services. Our proposals are designed to ensure that the BBC continues to serve all audiences in line with Public Purpose 1.

6.10 We propose to update the Licence by introducing two objectives for this Purpose, both of which are aligned with the description of Public Purpose 1 in the BBC Charter. The first objective will set out the type of news and current affairs output which the BBC should provide, while the second states that the BBC should make this content widely available to audiences.

⁹⁵ Ofcom research: Exploration into audience expectations of the BBC in the current media environment, 2021, p.24.



6.11 Given that the requirement for the BBC to provide duly impartial and accurate news and information is central to its remit, it is important to ensure continued provision of a substantial amount of high-quality and trusted news and current affairs on all the BBC's main services.⁹⁶ We therefore propose to retain nearly all the existing Licence conditions, most of which relate to TV and radio, and introduce new Licence conditions for BBC Online, including BBC iPlayer and BBC Sounds. We also propose to introduce transparency requirements which aim to provide clarity on the BBC's delivery of news and current affairs online.

The BBC's news and current affairs should be high-quality, in-depth and relevant, as well as readily available

Objective P1 (1): High-quality, in-depth and relevant news and current affairs

The BBC should ensure that its news and current affairs programming is high-quality, in-depth and covers local, regional, national and international stories. The content should be relevant to audiences and enable them to develop a broad understanding of what is happening locally, regionally, nationally and in the wider world.

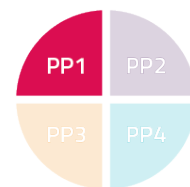
- 6.12 As a recipient of public funding, the BBC should set the standards for the rest of the industry by producing news and current affairs of the highest quality. The content should include in-depth analysis, making use of its extensive experience of investigative journalism, to provide audiences with a rich and comprehensive understanding of what is going on in the world. We consider this is particularly important for current affairs, where the BBC has the opportunity to go further than other providers by drawing on its journalists and experts across the UK and around the world.⁹⁷
- 6.13 The BBC's news and current affairs output also needs to feel authentic and relevant to audiences so that they want to engage with it. Our research has previously found that this is not always the case. In our [review of BBC news and current affairs](#), we said that the BBC is seen by some audiences as representing a white, middle class and London-centric point of view that is not relevant to their lives. In addition, a perceived lack of diversity - in BBC reporters and presenters and different viewpoints - was raised by people from minority backgrounds. Some stakeholders also felt that the BBC's news output could be more diverse⁹⁸ and include more engaging news content which connects with audiences.⁹⁹
- 6.14 It is important that the BBC provides stories from the UK's nations and regions on its UK-wide services and ensures that this content resonates with audiences. Linked to this, our

⁹⁶ The services which we consider to be relevant are captured in the Licence conditions for Public Purpose 1. We have selected these services because we consider that audiences would expect to be able to receive news on that service and/or we consider that certain audience groups may not have access to BBC news and current affairs if news was not provided on that service.

⁹⁷ It is also important that audiences can trust that the BBC's news and current affairs is accurate and duly impartial, however those aspects are already captured under our regulation of the BBC's content standards. See How Ofcom regulates the BBC.

⁹⁸ [Campaign for Regional Broadcasting Midlands response](#), p.6.

⁹⁹ Below the Radar.



regulation of Public Purpose 4 seeks to ensure that news and current affairs are provided on services for each of the nations and regional services.

Objective P1 (2): Discovery of news and current affairs

The BBC should provide news and current affairs programming on its UK Public Television Services, UK Public Radio Services and BBC Online (including BBC iPlayer, BBC Sounds and the BBC website¹⁰⁰ as appropriate). It should take steps to reach, serve and engage with audiences and make its news and current affairs content easily discoverable.

- 6.15 The second objective is intended to ensure that the BBC reaches all audiences with its news and current affairs content. To ensure that the BBC meets this objective, we consider that Public Purpose 1 should contain a mix of quotas and Licence conditions which apply to specific services. It should make sure that news and current affairs content is easily discoverable on its services.

Licence conditions

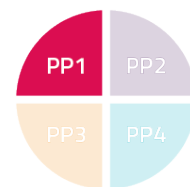
- 6.16 We propose that the majority of existing Licence conditions relating to Public Purpose 1 are carried over to a new Licence. We set out our detailed proposals below, followed by our proposed new transparency requirements.

Online news and current affairs

- 6.17 The BBC is already providing news and current affairs on BBC iPlayer, BBC Sounds and the BBC website and apps. We propose to introduce conditions which formalise this to ensure that audiences can continue to access this content online.
- 6.18 As audiences are switching from traditional TV channels and radio stations to online, they may increasingly choose to get their news and current affairs on BBC iPlayer and BBC Sounds. We propose to introduce new requirements for the BBC to update news programmes regularly and ensure that news and current affairs is easily discoverable on both BBC iPlayer and BBC Sounds.¹⁰¹
- 6.19 We note that the BBC currently produces some news and current affairs output which is only available on BBC iPlayer and BBC Sounds. The BBC would not need to produce content specifically for these services in order to meet our proposed new requirements – although it may choose to if it considers that to be a better approach to appeal to audiences. This means that the BBC would be able to meet these requirements by making its TV and radio services available on BBC iPlayer and BBC Sounds as it currently does.
- 6.20 The BBC is not currently required in the Licence to provide news on the BBC website (other than for children). However, it is already doing this and 36% of online adults aged 16+ used the BBC News website/apps each week on average in the financial year 2020/21 – up from

¹⁰⁰ We take the BBC website to also include related apps that form part of BBC Online.

¹⁰¹ Proposed Licence condition 1.3.



29% in 2019/20, with increases seen across all demographics.¹⁰² We propose to introduce a condition for the BBC to provide daily news and information for all audiences, which covers a broad range of subjects and should include in-depth news and analysis, on its website.¹⁰³ This is aimed at ensuring that the BBC offers a detailed explanation of important news stories.

- 6.21 The Agreement requires Ofcom to impose requirements on the BBC to provide adequate links from BBC Online to third party online material.¹⁰⁴ We think audiences can benefit significantly from being able to access a range of news stories from different sources in addition to the BBC's content. This would deliver wider benefits for media plurality. We therefore plan to retain the existing Licence condition requiring the BBC to link through to third party online material on its news website.¹⁰⁵

News and current affairs on television and radio

- 6.22 Our research shows that 79% of UK adults continue to access news on television and just under half access news on the radio. Moreover, 13% of UK adults only use TV and/or radio sources for news.¹⁰⁶ When it comes to the use of BBC services specifically, 18% of adults use BBC TV and radio, but not the BBC website or app, or BBC Sounds, for news – as shown in Figure 4 below.

¹⁰² BBC research: Compass by Ipsos MORI, 16+.

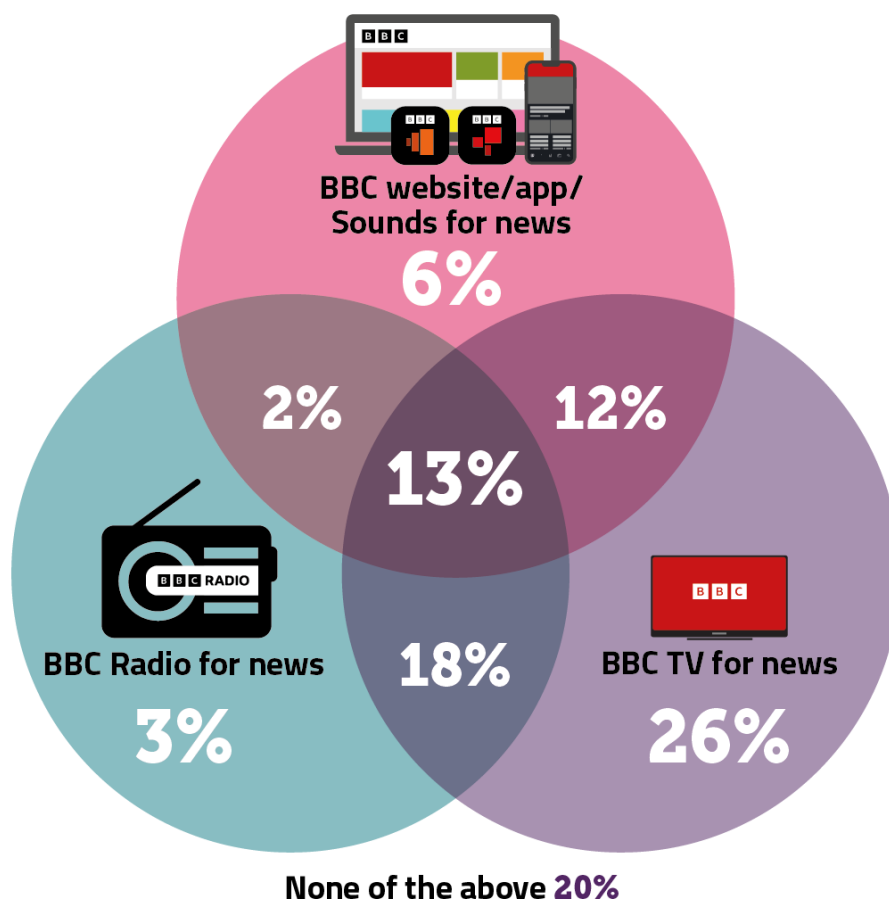
¹⁰³ Proposed Licence condition 1.2.1. The condition as drafted in the Operating Licence refers to BBC Online. We note that the BBC currently meets its BBC Online requirements, to provide children's news and adequate links to third party sources, through the BBC website (on Newsround and the BBC News website respectively). We would expect the BBC to continue to do this and to meet our proposed new condition for BBC Online on the BBC website.

¹⁰⁴ Section 3 of Schedule 2 to the Agreement.

¹⁰⁵ Current Licence condition 2.17.1.

¹⁰⁶ Ofcom 2021 News Consumption Survey.

Figure 4: Crossover use of BBC sources for news

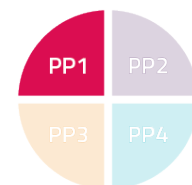


Source Ofcom News Consumption Survey 2021 - Online sample only. Question: Thinking specifically about <platform>, which of the following do you use for news nowadays? Thinking specifically about television, which of the following do you use for news nowadays? Base: All online adults 16+ 2021=3327

- 6.23 As it is important that audiences can continue to benefit from this provision, we propose to retain most of the existing Licence conditions which require the BBC to provide news and current affairs on specified BBC TV and radio services.
- 6.24 We have however, identified some existing TV and radio conditions which we consider would benefit from either being amended or removed.
- 6.25 Firstly, we propose to amend the quotas in Public Purpose 1 which require the BBC to deliver a set amount of news and current affairs each day or week, so that they apply across the year instead. This will mean changing the quotas for BBC Radio 1, BBC Radio 1Xtra, BBC Radio 2, BBC 6 Music and BBC Asian Network.¹⁰⁷ We propose to take the same approach for the weekly nations and regions radio news quotas in Public Purpose 4, which will affect the conditions for BBC Radio Scotland, BBC Radio Wales, BBC Radio Cymru, BBC Radio Ulster and BBC Radio Foyle.¹⁰⁸ For consistency, we also propose to change the other,

¹⁰⁷ Current Licence conditions 2.8.1, 2.9.1, 2.10.1, 2.14 and 2.15.

¹⁰⁸ Current Licence conditions 2.82.1; 2.88.1, 2.89.1, 2.95.1 and 2.95.2.



non-news weekly quotas in the Licence to apply across the year. This will affect the original, locally-made programming quotas for BBC local radio in Public Purpose 4¹⁰⁹ and the weekly specialist music quota for BBC Radio 1 in Public Purpose 3.¹¹⁰

- 6.26 We are proposing these changes because we believe that annual conditions are sufficient to ensure the delivery of the relevant Public Purposes and the costs involved in administering daily and weekly conditions is disproportionate. Amending the quotas so they apply on an annual basis will reduce the resourcing and cost burdens for both the BBC and Ofcom (the BBC has told us that having to monitor and report against these daily and weekly conditions is inefficient and burdensome). It will also simplify the Licence. The BBC is currently able to request in writing that these conditions be suspended for a specific period, in circumstances where it may be appropriate to do so.¹¹¹ We note that it typically submits a request each year to suspend various conditions around the Christmas period. Annual quotas will mean that the BBC will no longer need to make these requests, so we propose to remove these conditions.
- 6.27 However, there is a potential risk that by moving to annual quotas the BBC could provide news less frequently than now. To mitigate this risk, we propose to introduce conditions for each relevant service to provide news bulletins at intervals throughout the day.¹¹² The BBC has also told us that it has no plans to change its news output on the affected network radio stations and we expect the BBC to continue with its current provision.
- 6.28 We are therefore proposing to introduce annual quota levels which reflect the amount of content the BBC is currently required to deliver across the course of a year. Because the existing quotas differ between services (for example, some include weekends and some do not), we have calculated the proposed quotas in different ways to reach new annual levels. Our calculations are set out below:
- a) **Weekly news quotas in Public Purpose 1 (BBC Radio 2, BBC 6 Music and BBC Asian Network)** – we have calculated these by applying the existing weekly quota levels proportionately across the year (i.e., by calculating how much news the BBC is currently required to show on each service per day and multiplying that by 365). However, we have reduced the figures proportionately to take account of the fact that the BBC is not currently required to meet these conditions during public holidays.¹¹³
 - b) **Weekday news quotas for BBC Radio 1 and BBC Radio 1Xtra** – these services are slightly different as the quotas only apply to weekdays and there are separate

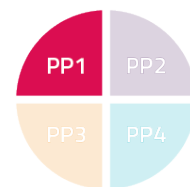
¹⁰⁹ Current Licence conditions 2.75 and 2.76.

¹¹⁰ Current Licence condition 2.39.3.

¹¹¹ Current Licence conditions 2.16 in Public Purpose 1 and 2.97 in Public Purpose 4.

¹¹² We recognise that some of the targeted services do not currently have a requirement to show news each day, although we note for the most part the BBC is providing this.

¹¹³ Currently, the BBC must meet weekly quotas for BBC Radio 2, BBC 6 Music and BBC Asian Network, with the exception of weeks containing a public holiday, in which case the number of hours may be reduced proportionately. In order to take account of these exemptions in the new quota levels, we have reduced the hypothetical annual quota by the amount of news the BBC would be required to produce on public holidays each year. For the purpose of our calculations, we have assumed that there are 8 public holidays each year. To note, our proposed annual quota levels do not take account of any potential reduction in the BBC's news and current affairs output as a result of the suspension conditions mentioned above, for example, over the Christmas period. This is because we consider that the annual quotas will give the BBC sufficient flexibility to reduce provision at times when it may consider it appropriate to.



requirements to provide news bulletins at regular times on weekends. Our proposed annual quota levels for BBC Radio 1 and BBC Radio 1Xtra are based on what the BBC is currently required to provide on weekdays across the course of a year,¹¹⁴ with an addition of what we think the BBC should, as a minimum, provide on weekends. The addition is based on information that we requested from the BBC, which includes its current provision on BBC Radio 1 and BBC Radio 1Xtra at weekends.

- c) **Weekly non-news quotas in Public Purpose 3 and Public Purpose 4**¹¹⁵ – we have calculated these by applying the existing weekly quota levels proportionately across the year (i.e., by calculating how much news the BBC is currently required to show on each service per day and multiplying that by 365).

CBBC

- 6.29 The BBC is currently required to ensure that it shows news each day on CBBC.¹¹⁶ We note however that the BBC makes changes to its CBBC schedule over the Christmas period which means that *Newsround* is not broadcast for approximately two weeks. In our Annual Report on the BBC last year, we found the BBC was technically in breach of its requirement, although we noted that this approach was consistent with the other news conditions in the Operating Licence which allow the BBC to vary its output. We also considered that variations to the CBBC schedule were reasonable on the basis that the BBC continues to update children on all the latest news daily via the *Newsround* website.
- 6.30 Last year, for the first time, the BBC submitted a formal request to suspend *Newsround* over the Christmas period. We accepted this request on the basis that the approach was consistent with previous years, the *Newsround* website would continue to run during the Christmas period (except for Christmas Day, Boxing Day and New Year's Day), and it allowed the BBC to make optimal use of staff.¹¹⁷
- 6.31 For these reasons, and to allow the BBC to make changes to its CBBC news schedule without having to come to us first, we consider that changing the Licence to exempt the BBC from showing news each day during the Christmas period is appropriate.¹¹⁸

BBC News channel

- 6.32 We propose to remove the condition on the BBC News channel to provide more international news, and more local/regional news than other main continuous news channels in the UK.¹¹⁹ While the BBC News channel needs to continue to cover a wide

¹¹⁴ As with the weekly quotas in Public Purpose 1, the BBC is exempt from meeting the weekday quotas on BBC Radio 1 and BBC Radio 1Xtra on public holidays.

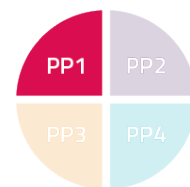
¹¹⁵ This refers to the weekly specialist music quota for BBC Radio 1 in Public Purpose 3 (current Licence condition 2.39.3) and the original, locally-made programming quota for BBC local radio in Public Purpose 4 (current Licence conditions 2.75 and 2.76).

¹¹⁶ Current Licence condition 2.6.1.

¹¹⁷ Including in light of the impact of Covid-19 - more information on news exemptions over Christmas 2021 is available on [our website](#).

¹¹⁸ Proposed Licence condition 1.7.1. The Christmas period is defined as any 14-calendar day period starting in December and ending in January.

¹¹⁹ Current Licence condition 2.7.



range of local, regional and international news stories, we do not think that it adds much value to assess the breadth of the BBC's news coverage by comparing it to the news coverage of other channels, as we consider this takes too narrow a view. Instead, we expect to monitor its performance as we do for other BBC services.

BBC Radio 5 Live

- 6.33 Finally, we propose to amend the condition for BBC Radio 5 Live to provide regular coverage of European and international politics,¹²⁰ so that it only refers to international politics; we consider that international politics includes European politics.¹²¹

Transparency requirements

Annual Plan

- 6.34 We are proposing to introduce a transparency requirement for the BBC to set out with its Annual Plan the steps it plans to take to comply with the new online conditions which we are proposing,¹²² including any significant changes it plans to make to its news and current affairs provision online and the reasons for those changes.¹²³ We would also expect the BBC to set out any significant changes it plans to make to its provision on TV and radio where relevant.

Annual Report

- 6.35 We propose to introduce a corresponding transparency requirement for the BBC to report on whether it has taken the steps it set out with its Annual Plan, including whether it made significant changes from those plans and the reasons for those changes.¹²⁴

Consultation question 2: Do you agree with the proposals for Public Purpose 1? If not, please explain why.

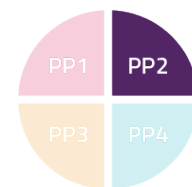
¹²⁰ Current Licence condition 2.13.2.

¹²¹ Proposed Licence condition 1.12.2.

¹²² Proposed Licence conditions 1.2 and 1.3.

¹²³ Proposed Licence condition 1.16.

¹²⁴ Proposed Licence condition 1.17.



7. Proposals for Public Purpose 2

Our main proposals include to:

- Retain requirements related to the delivery of content which supports children in their learning.
- Introduce new requirements for the BBC to provide informal learning content for adults and children of all ages across its services and make this content easily discoverable.
- Introduce transparency requirements for the BBC to set out its plans to support learning, and report on the outcome of those plans.

Introduction

7.1 Public Purpose 2 requires the BBC to support learning for people of all ages:

“The BBC should help everyone learn about different subjects in ways they will find accessible, engaging, inspiring and challenging. The BBC should provide specialist educational content to help support learning for children and teenagers across the United Kingdom. It should encourage people to explore new subjects and participate in new activities through partnerships with educational, sporting and cultural institutions.”

Article 6 of BBC Charter

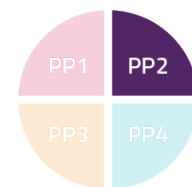
7.2 The BBC is an important contributor to the educational development of children and young people across the UK, and supports continuous informal learning for all audiences. Audiences have consistently rated the BBC highly for its delivery of learning content. It is important that our regulation of Public Purpose 2 ensures that BBC audiences across the UK continue to benefit from high-quality learning content that is relevant to them.

7.3 In this section, we describe the current Licence conditions under Public Purpose 2 and the challenges identified with them. We then explain our proposals for the new Licence, including the proposed objectives, other Licence conditions and transparency requirements.

The current Licence contains quotas for different genres and for children’s content, to support learning for all audiences

7.4 Our current Operating Licence includes high-level objectives for the BBC to provide a broad range of learning content¹²⁵ that helps adults and children develop skills and learn, including through partnerships with educational, cultural and sporting organisations.

¹²⁵ We split learning content into two categories - ‘formal learning’, which is predominantly provided for children and can be related to the school curriculum, and ‘informal learning.’ The latter refers to knowledge and skills acquired outside an



7.5 The Licence¹²⁶ sets out requirements for the BBC to help deliver these objectives across its services. These requirements include quotas for different genres covering both adults and children's content, as well as for documentaries and music content that the BBC must deliver on specific services in support of adult informal learning. The Licence also includes conditions related to Gaelic language learning, content which supports pre-school children in their learning and formal learning content for children in all parts of the UK.

The BBC has delivered learning well to date

7.6 Overall, we believe that the current conditions have delivered good outcomes in respect of learning, and we want this to continue. We also note that stakeholders have not raised any particular concerns with the current conditions. Research has found that both parents and children trust the educational content provided by the BBC, ranging from CBeebies at pre-school age and programmes like *Horrible Histories* for older children on CBBC, to BBC Bitesize to support formal learning for children and teenagers.¹²⁷ The BBC's provision has had a positive impact on its intended audience, including in response to Covid-19 related lockdowns, where during school closures it stepped in to support formal learning for children both online and on broadcast TV.

educational context and includes creating opportunities and encouraging audiences to learn about new and different subjects such as art, music, religion, science, nature, business and history, and content with international focus. Informal learning can also be provided through news and current affairs, UK indigenous language content and programming about different cultures and viewpoints. This content could be provided in many different formats across TV, radio and online services (including apps) and is not limited to, for example, documentary style TV shows or podcasts.

¹²⁶ Current Licence conditions 2.18 – 2.31.

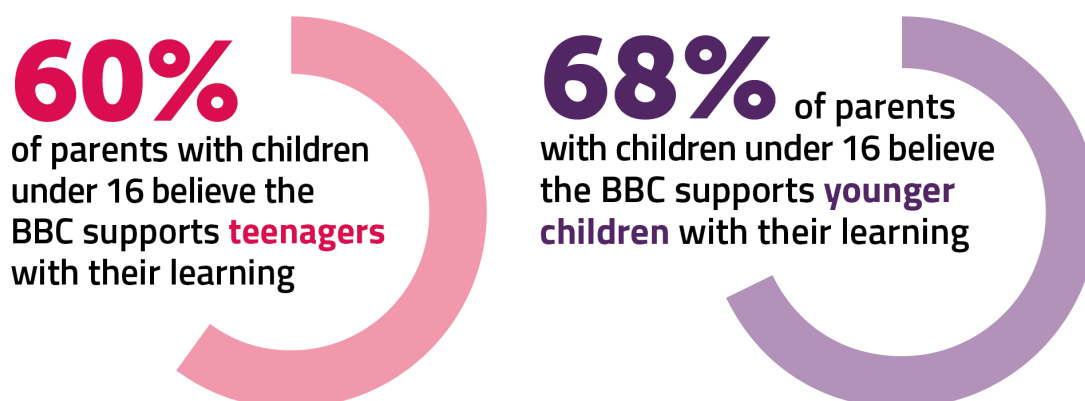
¹²⁷ [Ofcom research: Exploration into audience expectations of the BBC in the current media environment](#), 2021, p.24.

“Shows like *Horrible Histories*, they are entertaining, and it makes learning fun”.¹²⁸ **Boy, under-18**

“There’s some educational content on YouTube, but the BBC is best for higher quality. It’s also the people like David Attenborough – they’re people associated with the BBC that you know and trust”.¹²⁹ **Man, 18-30yrs**

“[The] BBC has some thought-provoking content, I watched this programme about climate change, and it’s played on my mind, it made me think more about what I can do”.¹³⁰ **Woman, Family, older children**

Figure 5: Parents’ perceptions of the BBC’s learning offer for children under 16 years in 2020



Source: Ofcom BBC Performance Tracker 2020/21.

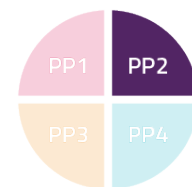
- 7.7 Within this context, we have considered whether there are limitations to the current conditions in Public Purpose 2. Aspects that we consider could be strengthened include transparency on how the BBC is supporting learning for *all* audiences, and how it is using its online services to help facilitate learning.
- 7.8 In our most recent Annual Report on the BBC, we said that we would like to see the BBC report in more detail about its provision of informal learning content for adults, and its impact.¹³¹ We consider that this should go beyond just reporting on whether it has delivered specified volumes of genres including arts and music, religious, drama and factual programmes and documentaries. We think that it should more comprehensively reflect on the wider range of informal learning output it delivers across its services, which contributes to educating and informing audiences.
- 7.9 In addition, while the current Licence has a requirement for learning content to be provided through BBC Online, this is specifically focused on formal learning for children and teenagers, which the BBC provides through the BBC Bitesize website and app. It does

¹²⁸ Ofcom research: Exploration into audience expectations of the BBC in the current media environment, 2021, p.25.

¹²⁹ Ofcom research: Exploration into audience expectations of the BBC in the current media environment, 2021, p.25.

¹³⁰ Ofcom research: Exploration into audience expectations of the BBC in the current media environment, 2021, p.25.

¹³¹ Ofcom, November 2021. [Ofcom Annual Report on the BBC 2020-21](#), p. 37-38.



not capture the wealth of online informal learning content that the BBC provides for adults and children, particularly through its website, BBC iPlayer, BBC Sounds and other apps.

- 7.10 Lastly, engaging in partnerships with educational, sporting and cultural organisations is a key part of Public Purpose 2 and is highlighted in the objectives of our current Licence. In response to our Initial Consultation, stakeholders discussed partnering with the BBC and sought pro-active collaboration and engagement.¹³² Some told us that the BBC can be difficult to partner with, particularly at local level, and raised concerns about a lack of transparency about its partnerships.¹³³ The BBC does not currently report on its strategy for partnerships, nor their effectiveness.

We propose to introduce new transparency requirements under Public Purpose 2

- 7.11 We propose to introduce two objectives, underpinned with some of the conditions in the current Licence and supplemented with additional transparency requirements.
- 7.12 We also propose to move requirements in respect of genres, documentaries, and BBC Radio 3 music content from Public Purpose 2 into Public Purpose 3.¹³⁴ We discuss our proposals for changes to these requirements in Section 8 under Public Purpose 3. We cover BBC ALBA's Gaelic language learning condition¹³⁵ in Section 9 under Public Purpose 4, together with other indigenous language requirements. Delivering high-quality content in a range of genres would still contribute to learning, and would continue to factor into our performance assessment of Public Purpose 2.
- 7.13 We also propose to require the BBC to report on how it is providing learning content across its online services, including on its website, BBC iPlayer, BBC Sounds and other apps, to ensure more openness from the BBC on its provision of learning content online. Lastly, we note stakeholder comments regarding the BBC's partnerships, and we intend to monitor how the BBC is engaging in them to further its learning offering. Where necessary, we will seek additional information from the BBC to support our monitoring.

The BBC should provide a wide breadth of learning content, which is easy for audiences to discover

Objective P2 (1): Breadth of learning content

The BBC should deliver a wide breadth of content that facilitates and encourages learning for audiences of all ages, including in a range of genres and subjects.

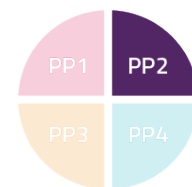
- 7.14 The BBC's learning output can play a key part in supporting all UK audiences in their education and futures, and can contribute to wider levelling up efforts across the UK, as set

¹³² [Local TV Network](#), p.2; [MG ALBA](#), p.1; [News Media Association](#), p.5.

¹³³ News Media Association and Local TV Network.

¹³⁴ This affects current Licence conditions 2.18-2.21; 2.23; 2.25 – 2.30.

¹³⁵ Current Licence condition 2.24.



out in the BBC's April 2022 [Levelling up and the BBC](#) plan. To support these outcomes, this first objective seeks to ensure continued delivery of high-quality learning content for all audiences.

Objective P2 (2): Discovery and availability of learning content

The BBC should deliver learning content on its UK Public Television Services, UK Public Radio Services and on BBC Online. It should take steps to reach, serve and engage all audiences and make learning content easy to discover.

- 7.15 The BBC already delivers learning content across a range of its services, including on its website, BBC Bitesize, BBC iPlayer, BBC Sounds and other apps. This second objective seeks to ensure it continues to do so to reach all audiences. For the avoidance of doubt, we do not consider that all learning content must be delivered on *all* services, rather that the distribution of learning content should address and be tailored to audience needs.
- 7.16 The BBC should also keep under review how it can innovate and experiment with the ways in which it engages and reaches audiences across the UK with learning content relevant to them. We further discuss this under the fourth objective in Section 8 (Public Purpose 3).

Licence conditions

- 7.17 These objectives would be supported by proposed conditions requiring the BBC to provide learning content relevant to children and adults of all ages across its services, including online, and make its online learning content easy to discover.¹³⁶ We also propose to retain conditions for the BBC to deliver content in respect of BBC Online which supports children and teenagers in their formal learning in all parts of the UK,¹³⁷ and to ensure that the BBC delivers a range of content on CBeebies to support pre-school children in their learning.¹³⁸
- 7.18 We propose to supplement these conditions with transparency requirements.

Transparency requirements

BBC Annual Plan

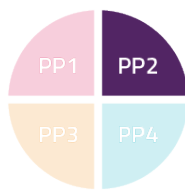
- 7.19 We propose that with its Annual Plan, the BBC must provide an explanation of the steps it plans to take to fulfil the Licence conditions mentioned above, including any significant changes it plans from its then current provision and the reasons.¹³⁹
- 7.20 Although we are proposing to move specific genre, documentary, and music requirements out of Public Purpose 2 and into Public Purpose 3, we would still expect that content in a range of genres and subjects would support informal learning, and the BBC should draw on this in its reporting. However, we consider that the range and breadth of genres delivered

¹³⁶ Proposed Licence condition 2.2 and 2.3.

¹³⁷ Proposed Licence condition 2.4.

¹³⁸ Proposed Licence condition 2.5.

¹³⁹ Proposed Licence condition 2.6.



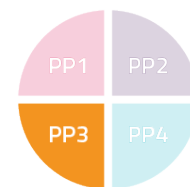
cannot alone be used to illustrate the value of the BBC's informal learning provision. The BBC could also draw on how, for example, its provision of news, programming from the nations and regions, and indigenous language programming might support learning. We would expect the BBC to explain how the content on its website or BBC Sounds supports learning.

BBC Annual Report

- 7.21 We propose that the BBC must explain with its Annual Report whether it has taken the steps it had set out to deliver learning content for adults and children of all ages across its services, and how it has ensured that this content was easily discoverable to audiences.¹⁴⁰ We would expect the BBC to draw upon consumption data, demonstrating the extent to which audiences have found and consumed its learning content across its services, as well as any relevant impact data regarding the discoverability of its learning content. If we have concerns with how the BBC is meeting this reporting requirement, we will consider placing detailed reporting requirements on the BBC to specify what information it must report.

Consultation question 3: Do you agree with the proposals for Public Purpose 2? If not, please explain why.

¹⁴⁰ Proposed Licence condition 2.7.



8. Proposals for Public Purpose 3

Our main proposals include to:

- Retain existing quotas for UK original productions, except for the quota for BBC Four, which we propose to lower from 75% to 65%.
- Retain quotas for first-run UK originations, with additional flexibility for the BBC to determine on which services and when to show such content. This would be supported by new transparency requirements, including a requirement for the BBC to set out the hours of first-run content it plans to deliver for each service.
- Replace quotas for arts and music, religious programmes, content for children and comedy on network TV with a condition to provide a wide breadth of output supported by transparency requirements. This would include requiring the BBC to set out the number of hours it will provide for each at-risk genre with its Annual Plan, including hours of first-run and acquired programming.
- Replace network radio quotas for arts and religious programmes, documentaries, social action campaigns, live or specially recorded performances and new musical works with a condition to provide a wide breadth of output supported by transparency requirements. This would include requiring the BBC to set out planned hours of such programming with its Annual Plan.
- Retain existing quotas for music on BBC Radio 1 and BBC Radio 2, live or specially recorded music on BBC Radio 3 and sports coverage on BBC Radio 5 Live.
- Introduce a transparency requirement related to the BBC's plans for ensuring each of its services are distinctive, including for BBC iPlayer and BBC Sounds.

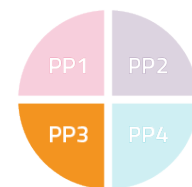
Introduction

- 8.1 Public Purpose 3 requires the BBC to show the most creative, highest-quality and distinctive output and services:

“The BBC should provide high-quality output in many different genres and across a range of services and platforms which sets the standard in the United Kingdom and internationally. Its services should be distinctive from those provided elsewhere and should take creative risks, even if not all succeed, in order to develop fresh approaches and innovative content.” *Article 6 of BBC Charter*

- 8.2 Distinctiveness is at the heart of the BBC and its delivery. It is not just a measure of how the BBC compares to other broadcasters, but also a measure of the unique value it offers to audiences. The BBC has consistently offered a wider range and mix of content than other UK broadcasters and video-on-demand services.¹⁴¹ Not only is this key to its Mission to serve all audiences, but its investment in new content also supports the UK production

¹⁴¹ The genre mix can be seen in detail in the Purpose 3 - Television - Availability section of the [interactive performance report](#) annexed to our 2020/21 Annual Report on the BBC.



sector. Audiences continue to rate the BBC highly for delivering the different aspects of Public Purpose 3.¹⁴²

“You know you’re watching a BBC drama, it feels different, it’s British. It’s at a certain level that it’s not replicated elsewhere. Totally different from what you can find on ITV or Sky.”¹⁴³ **Man, Family, older children**

- 8.3 Future regulation of the BBC will need to ensure a continued focus on a range of high-quality, distinctive, original UK output that appeals to audiences, and continued investment in the UK creative economy. A new Operating Licence must also allow the BBC greater scope to take risks, innovate and adapt its output to meet the diverse and changing needs of UK audiences. Alongside greater flexibility, however, we consider that future regulation should ensure greater transparency on how the BBC delivers distinctive output across the full range of its services.
- 8.4 In this section, we set out the current Licence conditions under Public Purpose 3 and the challenges identified with them. We then explain our proposals for the new Licence, including the proposed objectives, quotas, other Licence conditions and transparency requirements. We also set out our initial view on the BBC’s proposal to amend the original production quotas on BBC Four.¹⁴⁴

The current Public Purpose 3 conditions are a mix of TV and radio quotas which seek to ensure distinctiveness

- 8.5 Our current Licence includes objectives for the BBC to provide a distinctive mix of genres and output across its services, and for these to be high-quality, risk-taking and innovative, catering to the diverse audiences of the UK. It also sets out that a substantial proportion of TV programming should be original UK productions, including *new* original UK productions which have not previously been shown in the UK (‘first-run UK originations’).¹⁴⁵
- 8.6 The Licence conditions for TV include quotas on the volume of original UK content, first-run UK originations, and comedy content on TV services.¹⁴⁶ For network radio they include quotas for new music, music from UK acts, live music, recorded sessions, specialist music, breadth of music compared with comparable providers, social action and sports commentary.¹⁴⁷ The Licence acknowledges that conditions under other Public Purposes also contribute to the BBC’s distinctiveness.

¹⁴² [Ofcom BBC Performance Tracker 2020/21](#).

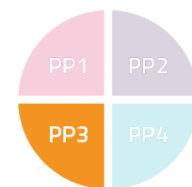
¹⁴³ [Ofcom research: Exploration into audience expectations of the BBC in the current media environment](#), 2021, p.25.

¹⁴⁴ The BBC’s proposal can be read in full in Annex 10.

¹⁴⁵ ‘Original productions’ are programmes which are commissioned by or for a BBC television service, including repeats. ‘First-run UK originations’ are original productions that have not previously been shown on television or made available online in the UK previously. For detailed current definitions see current Licence condition 2.37.1 in relation to BBC One, BBC Two and BBC Three, as well as 2.37.1A in relation to CBBC and BBC iPlayer taken together, and CBeebies and BBC iPlayer taken together: [Operating licence for the BBC’s UK public services](#).

¹⁴⁶ Current Licence conditions 2.32-2.38.

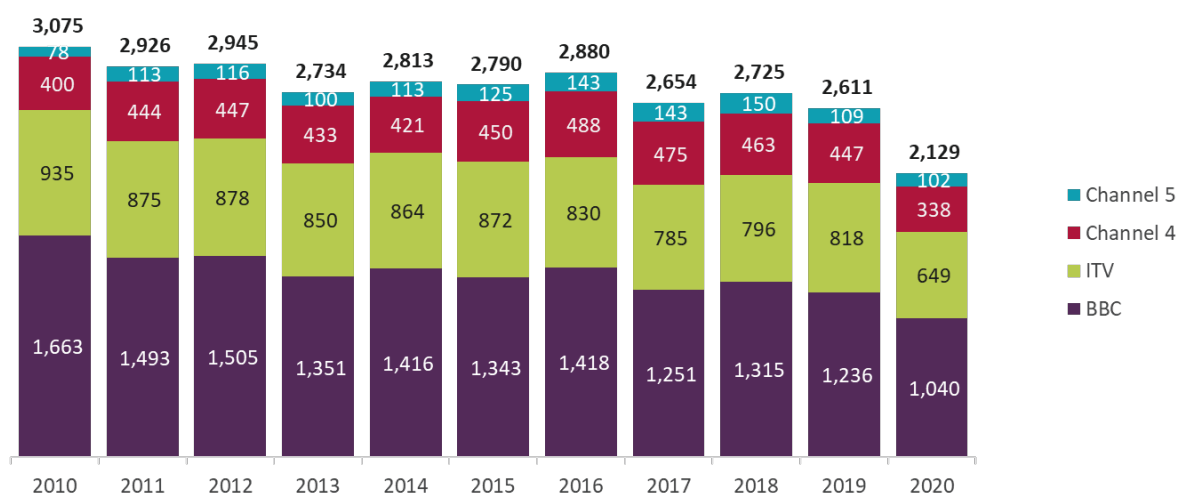
¹⁴⁷ Current Licence conditions 2.39-2.41



However, the quotas focus mainly on volume and do not take account of the BBC's online delivery

8.7 As explained in Section 2, our most recent Annual Report on the BBC found that its services have a distinctive position in the UK media market, but that the BBC must remain committed to a broad range of original UK content, as this is critical to its distinctiveness. Figure 6 below illustrates spend on first-run UK originations across the PSB channels. Although this is against a backdrop of steady decline, it demonstrates that the BBC remains a key commissioner of new original UK content.¹⁴⁸

Figure 6: PSB network spend on first-run UK originations, by broadcaster (£m)



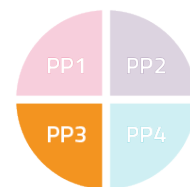
Source: Ofcom/broadcasters. Note: Adjusted for CPI at 2021 prices. BBC figures include BBC One, BBC Two, BBC Three, BBC Four, CBBC, CBeebies, BBC News, and BBC Parliament. Figures do not include S4C, BBC ALBA, BBC HD, nations'/regions' programming, and third-party spend.

- 8.8 We set out in Section 3 that the BBC is in the process of making strategic changes to its services and output in response to changing audience habits and financial challenges. These changes seek to better engage with audiences, including by focusing on a smaller volume of unique, high-impact content and its online offering.
- 8.9 TAC and Audio UK raised concerns in response to our [Initial Consultation](#) that this strategy could result in fewer important programmes, which do not attract large audiences, being commissioned.¹⁴⁹ The BBC, on the other hand, argued that current quotas, particularly for first-run UK originations, hold it back from implementing its strategy of innovating and changing its output and services in line with audience needs. It advocated the removal of first-run UK originations and TV genre quotas. In respect of all services, including radio, it argued for a 'service neutral' approach rather than specifying detailed requirements for individual services.¹⁵⁰

¹⁴⁸ PSB network spend on first-run originations was impacted by Covid-19 in 2020.

¹⁴⁹ [Teledwyr Annibynnol Cymru \(TAC\)](#), p.1 and [Audio UK](#), p.3.

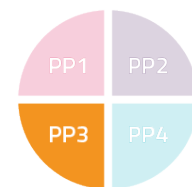
¹⁵⁰ [BBC](#), p.6.



- 8.10 We consider that while quotas successfully ensure and safeguard a minimum performance by the BBC, solely using quotas means it can be hard to fully conclude it is delivering distinctive output, given that many aspects of distinctiveness are subjective and difficult to quantify. It can also be difficult to assess quality, creative ambition and risk-taking of the BBC's output. Extensive use of quotas (as opposed to other types of requirements) may not give the BBC the flexibility to adapt to changing audience habits which, when coupled with the financial pressures the BBC faces, could have unintended consequences for audiences in the longer term if it had to broadcast lower quality content in order to meet quotas.
- 8.11 Current Licence conditions are also limited in their scope, as they do not comprehensively incorporate online services such as BBC iPlayer, BBC Sounds and the BBC website and other apps. This is despite the fact that the BBC delivers new original UK content on BBC iPlayer and BBC Sounds, as many audiences increasingly expect to watch content on-demand.

We propose to give the BBC greater scope to decide how best to deliver distinctive content across its services

- 8.12 The following paragraphs set out our proposals for updating the Licence. Broadly, we propose to introduce four objectives underpinned with some existing quotas and supplemented with new conditions and additional transparency requirements. As noted above, we also propose to move the conditions in respect of arts and music, religion, documentaries, drama, factual content and specific music content from Public Purpose 2 into our proposals for Public Purpose 3. This is because we consider these conditions to be important elements to distinctiveness (and they would also still contribute to the BBC's provision of learning content for audiences).
- 8.13 While we propose to retain quotas for first-run UK originations, we want to give the BBC more flexibility to decide where and when to show its first-run content. We also propose to give the BBC more flexibility to determine how to shape its genres and output mix on its services, supplemented with transparency requirements.
- 8.14 In areas where we propose to give the BBC greater flexibility, to enable us to better hold it to account, we propose to require additional transparency on how the BBC is choosing to deliver for audiences. To support this, we propose to require the BBC to set out its plans for the genres, first-run UK originations and acquisitions that it will deliver on its TV services and BBC iPlayer with its Annual Plan. We also propose to seek greater transparency on how the BBC is innovating and ensuring high-quality in the new original output it produces on its services. We also expect it to report on how it is taking risks. As mentioned in Section 5, the BBC would be required to justify and explain significant changes to its provision.
- 8.15 To better incorporate and ensure the distinctiveness of online services, we also propose to place transparency requirements on BBC Sounds and BBC iPlayer to draw out how their offering is distinctive.
- 8.16 Our assessment of the BBC's distinctiveness will continue to focus on its delivery overall and on individual services, rather than on individual programmes.



The BBC must provide a wide breadth of high-quality, distinctive, original UK content that audiences can easily discover

Objective P3 (1): original UK content

The BBC should provide a broad range of original UK content, including new UK content.

- 8.17 A range of original UK content, including first-run UK originations, is the cornerstone of the BBC's distinctiveness and key to the public value it offers to its audiences. The proposed first objective for Public Purpose 3 seeks to secure this. All audiences across the whole of the UK should be able to benefit from fresh, new content that appeals to them.

Objective P3 (2): Breadth of content

The BBC should deliver a wide breadth of output covering a range of genres and content types, including genres that are underprovided or in decline across public service broadcasting (including: music, arts, religion and other specialist factual content, comedy, and children's programming).

- 8.18 This objective is for the BBC to provide a wide breadth and depth of output on its services to deliver on audience needs, including in at-risk genres – namely arts and music, children's, comedy, specialist factual (e.g., science and history) and religion. Audiences today have more choice and flexibility to navigate between services to find the content they want. This has made it more challenging, but also more important for the BBC to deliver a wide range of content and output in order to appeal to different audiences and deliver its Mission and Public Purposes.

Objective P3 (3): High-quality and distinctive

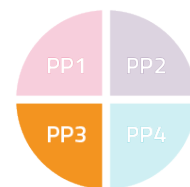
The BBC should ensure that the output on each service is high-quality, distinctive and supports new UK voices and talent. In developing this output, it should innovate, be ambitious and take risks.

- 8.19 An important aspect of distinctiveness is the quality of output, including the risk-taking, innovation and creative ambition the BBC applies in its commissioning decisions. Through its decisions, initiatives and training schemes, the BBC is a key facilitator for new UK voices and talent in the UK creative economy. It should continue to nurture this to help it to deliver a distinctive offering for audiences.

Objective P3 (4): Discovery of UK original content

The BBC should ensure all audiences in the UK can easily discover original UK content. The BBC should also continue to explore how it can innovate the ways in which it engages and reaches audiences.

- 8.20 A further important part of the BBC's distinctiveness is ensuring that all UK audiences can benefit from its distinctive content offering, particularly in at-risk genres. The BBC website, BBC iPlayer and BBC Sounds hold extensive content libraries, and it is important that the



BBC ensures audiences can easily discover a range of original UK content when navigating these libraries. We note this also applies to broadcast TV services and on radio where the BBC can help audiences discover original UK content through its scheduling decisions.

- 8.21 As part of this, we would also expect the BBC to explore how it can innovate in the ways it provides the range of its original UK content – from news, current affairs, learning content, new and distinctive content including in at-risk and other genres, indigenous language content, to programming for the nations and regions. This is to ensure it reaches all audiences across the UK, in particular those who are harder to reach or who may use the BBC's services less than others. This may involve use of third-party platforms to build awareness and serve audiences, for example through YouTube.

Licence conditions

- 8.22 We propose to introduce new conditions to underpin our objectives for Public Purpose 3 in our proposed Licence.¹⁵¹ This includes a set of broad conditions applicable to TV, network radio and online services,¹⁵² as well as some more specific conditions that we discuss in more detail below. Together with the proposed transparency requirements,¹⁵³ these conditions would help to ensure the Licence objectives are delivered.

Original productions

- 8.23 Original UK content that celebrates UK voices, talent and stories on screen is key to the distinctiveness and high quality of the BBC's UK Public Services. We consider that current original productions quotas continue to play an important role in supporting the distinctiveness of BBC services. COBA were of the view that any 'watering down' of these quotas could make the BBC increasingly like many of its competitors. We plan to retain the quotas on each UK Public Television service at current levels, except for BBC Four, following a request by the BBC, which we consider further and set out for consultation at the end of Section 8.¹⁵⁴
- 8.24 The original productions quota also caps the volume of acquisitions the BBC can broadcast on each service. Carefully chosen acquisitions can play an important role in the makeup of BBC services, help the BBC appeal to different audiences and attract new ones. However, we would be concerned if acquisitions were to play too large a role in the BBC's overall content mix. We also note the comments stakeholders have made about the impact of acquisitions on the BBC's distinctiveness relative to other broadcasters.¹⁵⁵ To make it clearer what the BBC's acquisition strategy is on each TV service, we propose to introduce a transparency requirement, which we discuss further at paragraph 8.52.
- 8.25 As the broadcasting sector evolves further, and the BBC continues to transform how it delivers its content, there may come a time when the BBC should be given additional

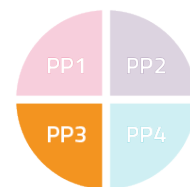
¹⁵¹ Proposed Licence conditions 3.2 – 3.12.

¹⁵² Proposed Licence conditions 3.2 - 3.4, 3.8.

¹⁵³ Proposed Licence conditions 3.13 – 3.15.

¹⁵⁴ Current Licence condition 2.32, proposed Licence condition 3.7.

¹⁵⁵ [ITV](#), p.5.



flexibility to respond to changing audience habits and have more scope to structure its original programming across the range of its TV services and BBC iPlayer, where it best meets audience needs. In particular, a service neutral original productions quota would allow the BBC to determine how best to deliver this content across all of its TV and online services, rather than a quota for each service. The Agreement requires Ofcom to set quotas for original productions on each of the UK Public Television Services. At this time, we consider these quotas continue to play an important role in ensuring that the BBC serves audiences with a significant amount of original UK content and in capping acquisitions on individual broadcast TV services. However, as part of the Mid-Term Review, we recommend that the government consider an amendment to the Agreement, so that Ofcom is no longer required to set original production quotas on each TV service. Instead, Ofcom would be required to set original production quotas that give the BBC flexibility to decide on which TV and online services they would meet the quotas.

First-run UK originations

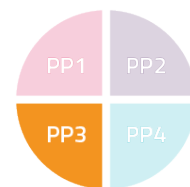
- 8.26 As outlined above, we consider that first-run UK originations continue to be central to the BBC's distinctiveness. We therefore believe it appropriate to keep a quota-based approach to regulation in this area to safeguard delivery, with some changes to allow for more flexibility.

Service neutrality

- 8.27 Currently, the Operating Licence sets quotas on BBC One, BBC Two, CBBC and CBeebies (for the latter two, the quota can be partially delivered through BBC iPlayer).¹⁵⁶ The BBC is also required to commission first-run UK originations that are relevant to 16-34 year-olds on BBC Three (with no specific quota). As audience habits change and more viewers consume content online, the BBC may need to deliver more new original UK content online through BBC iPlayer. Presently, such content largely does not count towards the first-run UK originations quotas, despite serving and delivering for audiences.
- 8.28 To better serve audiences in this area, we consider the BBC should have the flexibility to choose how best to deliver its first-run UK originations across its network TV services and BBC iPlayer. We therefore propose to introduce a service neutral quota that covers all those network services currently subject to first-run UK originations requirements in the BBC Operating Licence, as well as BBC iPlayer and BBC Four (which has historically delivered some first-run UK originated content in arts and music, but without counting towards a quota).¹⁵⁷ We are not proposing to add other network TV services such as BBC News and BBC Parliament into the service neutral quota, as the nature of the content they broadcast (news and live parliamentary debates) is typically first-run already. In line with this, we consider any potential simulcasts of BBC News or BBC Parliament on any of those

¹⁵⁶ The exceptions are CBBC and CBeebies, for which we [approved licence changes in 2020](#) that allowed the BBC to deliver half of the respective first-run UK originations quotas for CBBC and CBeebies through BBC iPlayer.

¹⁵⁷ Proposed Licence conditions 3.5 – 3.6.



services to be included in our proposed first-run UK originations quota would not count towards the quota.

Quota level

- 8.29 The BBC announced in May 2022 that it will [reduce the volume of hours it commissions for network TV by around 200 hours a year](#) to avoid reducing its programme budgets, as a result of its overall budgetary constraints, including the increased cost of production. We recognise the financial pressures the BBC faces are directly impacting its ability to invest in the UK creative economy. Over time, they may also make it harder for it to deliver the fixed quota volumes we currently require on respective services. At the same time, investment in new original UK content is central to the BBC's ability to deliver distinctiveness and its Mission and Public Purposes, and as such, we consider that a minimum volume of output must be safeguarded. We want to avoid risks to audience experiences that could arise if the BBC had to resort to lowering the quality and creative ambition of new original UK content in order to meet a quota.
- 8.30 We therefore propose to set a quota at the level of the combined total of the current first-run UK originations quotas: 6,650 hours. As it is a service neutral quota, it will cover more services than those currently subject to their own first-run UK originations quota, so this would provide an additional layer of flexibility for the BBC to deliver its quota across a wider set of services, including online. The BBC would also have more flexibility as to when to broadcast this content.
- 8.31 It is in the BBC's own interest to maximise the benefit to audiences of new UK content and, on broadcast TV, we would expect that the vast majority of this quota would be delivered during day and peak time, which is when most audiences still watch TV. Similarly, we would expect the quota to be delivered across a range of genres and services – in particular, we stress our expectation of continued investment in a range of first-run UK originations for children currently on CBBC and CBeebies. We also propose to place transparency requirements on the BBC to help us hold it to account, which we discuss further at paragraph 8.53.

Range of genres

- 8.32 Content with broad appeal remains important for bringing together audiences across the UK, including across the nations and regions. However, it should not be prioritised to the detriment of other valuable content with smaller audiences, a concern also raised by some stakeholders.¹⁵⁸ Research shows that audiences value the range of programming the BBC provides.¹⁵⁹ While the BBC has consistently shown more at-risk content on its TV services than the rest of the industry, continued investment in at-risk genres is crucial. This is particularly the case given the decline in this type of programming since 2017, as illustrated in Figure 7.

¹⁵⁸ [Voice of the Listener and Viewer \(VLV\)](#), p.4; Audio UK, p.3; and TAC, p.1.

¹⁵⁹ Ofcom research: Exploration into audience expectations of the BBC in the current media environment, 2021, p.27.

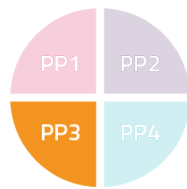
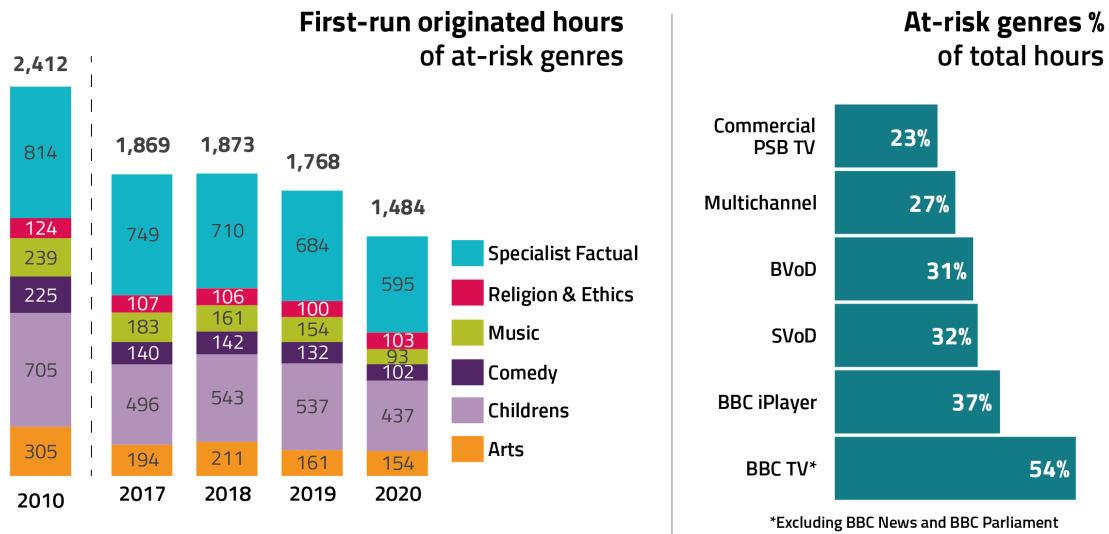


Figure 7: BBC first-run hours in at-risk genres between 2010-2020 & comparison of at-risk genre delivery across industry.



Source: Ofcom analysis of broadcaster data; Ofcom analysis of Ampere VoD catalogue data.

- 8.33 However, how audiences want to consume different types of content will continue to change. We believe it is important that the BBC is not tied to strict requirements which set out how much content it should provide and where, but that it has more scope to determine how to address audience needs. To enable the BBC to do this, we propose to remove the TV and radio genre quotas in Public Purpose 2¹⁶⁰ and Public Purpose 3.¹⁶¹ These currently cover arts and music, comedy and religious programmes, and children’s programmes, drama and factual programmes.
- 8.34 Instead, we propose to introduce a condition for the BBC to provide a wide breadth of output covering a range of genres and content types on its services.¹⁶² Alongside flexibility, the proposed condition would reinforce an emphasis on a wide range of genres and content types, rather than focusing conditions only on a select number of genres and content types in the way that our current Operating Licence does.
- 8.35 This would be supported by transparency requirements for the BBC to set out and report on its plans to provide a wide breadth of output across a range of genres and content types.¹⁶³ As mentioned in Section 5, the BBC would also be required to justify and explain significant changes to its provision.¹⁶⁴ Through enhanced reporting, our proposal also intends to better hold the BBC to account for delivering a wide breadth of output online, including on BBC iPlayer and BBC Sounds – it is important that those services too are distinctive. We discuss the supporting transparency requirements in greater detail below.

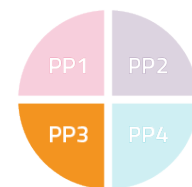
¹⁶⁰ Current Licence conditions 2.18-2.21; 2.27.1, 2.27.3, 2.29.2 and 2.23.

¹⁶¹ Current Licence condition 2.38.

¹⁶² Proposed Licence conditions 3.2.3, 3.4.3 and 3.8.3.

¹⁶³ Proposed Licence condition 3.13.

¹⁶⁴ Proposed Licence conditions 3.13, 3.15.1.



Network radio

- 8.36 As mentioned in Section 4, the BBC's video and audio offerings are not directly comparable. We therefore propose to take a different approach for its audio output.
- 8.37 In response to our Initial Consultation, the commercial radio sector argued that, compared to video, the BBC holds a more dominant position in the audio market regarding share of listening¹⁶⁵ and spend relative to other providers.¹⁶⁶ Radiocentre advocated a more sensitive approach to audio, providing modelling to demonstrate the potential impact that moving away from music-based quotas could have on the commercial radio sector.¹⁶⁷
- 8.38 We have also noted other differences between the BBC's audio and video delivery. Firstly, its network radio services tend to be more focused on specific audiences than its network TV services. For example, much of its output, especially its music, differs significantly by station. We therefore consider there is less scope for allowing it to fulfil conditions across its network services. Secondly, there are important differences between BBC Sounds and BBC iPlayer in terms of online consumption. BBC Sounds is less established and is less used by audiences: in 2020/21, 3.5 million signed in accounts used the service on average each week compared with 10.7 million for BBC iPlayer.¹⁶⁸ While we consider it appropriate for BBC iPlayer exclusive content to contribute to the BBC's video-based quotas due to the service's reach, we do not believe BBC Sounds is used widely enough to deliver the BBC's network radio quotas for audiences at this time.
- 8.39 In respect of audio listening trends, while we acknowledge an increase in streamed music and a decline in traditional radio listening, live listening on a radio set is still the audio activity with the highest reach, as shown in Figure 8.

¹⁶⁵ According to RAJAR (Q1 2022) share of radio listening for the BBC and commercial radio is now 49% and 48% respectively and in terms of share of online listening 41% vs 55%.

¹⁶⁶ [All-Party Parliamentary Group for Commercial Radio](#), p.1; [Radiocentre](#), p.2, 4-5, 12-13; and [Wireless Group](#), p.1-3.

¹⁶⁷ Radiocentre, p.2, 4-5, 19-26.

¹⁶⁸ BBC, July 2021. [BBC Group Annual Report and Accounts 2020/21](#), p.166.

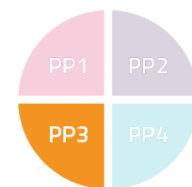
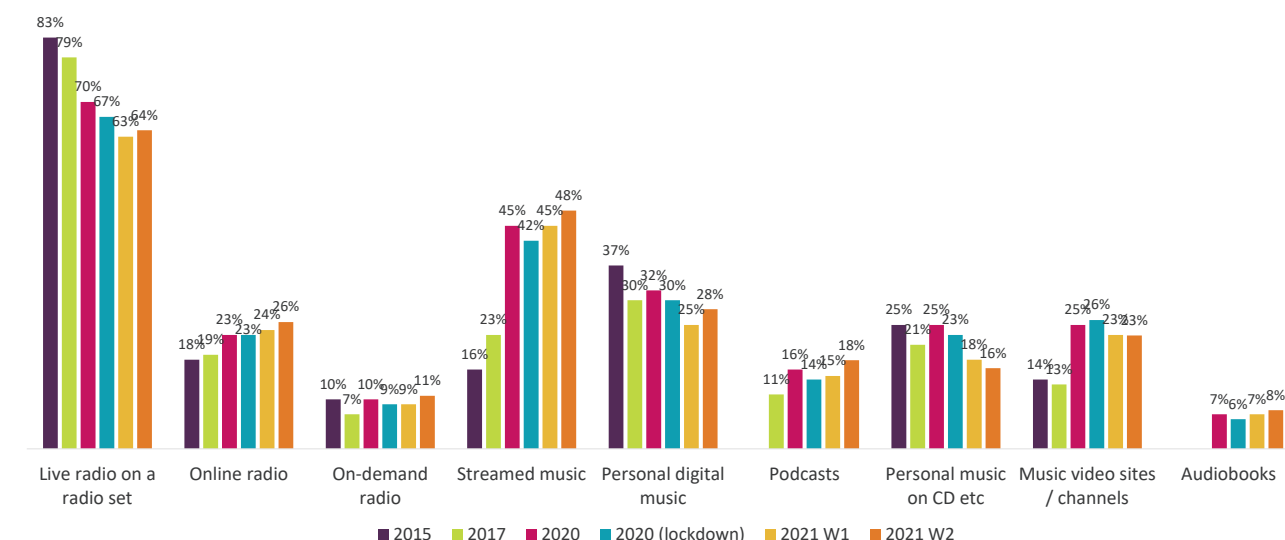


Figure 8: Weekly reach of selected audio activities (all adults 15+)



Source: IPA TouchPoints. GB adults 15+. 2020 (pre-lockdown) fieldwork - Jan-March 23rd; 2020 (lockdown 1) fieldwork – 24th March-16th April 2020

Music conditions for network radio

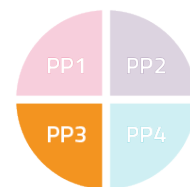
- 8.40 We propose to retain the current music quotas for BBC Radio 1 and BBC Radio 2 at their current levels. These are for the proportion of music in the daytime which is new music¹⁶⁹ and from UK acts respectively; quotas for hours of new sessions (BBC Radio 1) and live music (BBC Radio 2); and hours of specialist music.¹⁷⁰ We also propose to retain the existing condition for BBC Radio 1 and BBC Radio 2 to play a broader range of music than comparable services. We consider that these conditions are key to ensuring the distinctiveness of both stations’ musical output compared to other music stations.¹⁷¹
- 8.41 In addition, we propose to increase insight into the BBC’s specialist music output on BBC Radio 1 and BBC Radio 2 by introducing a transparency requirement linked to its Annual Report. We discuss this further in paragraph 8.63 below.
- 8.42 We propose to retain BBC Radio 3’s quota for the proportion of music broadcast which is live or specially recorded music.¹⁷² This continues to be an important safeguard for distinctiveness by limiting (non-exclusive) pre-recorded, non-live music sequences and ensuring an appropriate level of exposure for UK artists and orchestras.
- 8.43 BBC Radio 3 also currently has two additional music quotas. The first relates to the number of live or specially recorded performances it must broadcast (as distinct from live or

¹⁶⁹ A music track is to be considered ‘New Music’ for a period of either: (a) 12 months from first release (whether by physical, radio, download or streaming means), or (b) 6 weeks from the date it first enters the Top 20 of the UK Official Singles Chart, whichever is sooner.

¹⁷⁰ For simplicity, we are also proposing to make the requirement for specialist music on BBC Radio 1 for the financial year rather than for ‘each week’.

¹⁷¹ Proposed Licence conditions 3.9.1 – 3.9.5 and 3.10.1 – 3.10.5.

¹⁷² ‘Live or specially recorded music’ is made up of both live music and music which has been specially recorded for BBC Radio 3 (including new or archived recordings).



specially recorded music in general). These performances are made up of musical events such as concerts, opera and choir recitals and they also contribute to BBC Radio 3's live or specially recorded music quota. While we consider that coverage of musical performances and events continue to be key to the station's delivery, we note that they can differ greatly in terms of type and size. With this in mind, and in line with our principles for a new Licence (paragraph 1.7), we consider that the BBC should have more scope to determine which performances to cover to best serve its audiences, rather than based on a quota level. Instead of a quota, and as well as a broad condition for the BBC to provide a wide breadth of output,¹⁷³ we propose a transparency requirement for the BBC to set out with its Annual Plan how many performances it will broadcast on BBC Radio 3. This would also be alongside reporting on the contribution these plans will make towards ensuring BBC Radio 3 is distinctive. As discussed previously, we would expect this output level to stay broadly the same as current delivery.

- 8.44 The second is for the number of new musical works it must commission each year. As with performances, each 'work' could differ greatly, for example in terms of the length of the piece of music or the type and size of the ensemble. This, in combination with the fact the BBC has significantly over delivered against this quota over the last three years, means that we no longer consider a quota to be appropriate.¹⁷⁴ Instead, we propose a condition to ensure the BBC commissions and broadcasts new musical works,¹⁷⁵ supported by a transparency requirement for it to set out with its Annual Plan how many it will commission and broadcast, and to report on the contribution it will make to ensuring BBC Radio 3 is distinctive.¹⁷⁶

Speech conditions for network radio

- 8.45 As mentioned in paragraph 8.34, we propose to introduce a condition for the BBC to provide a wide breadth of output covering a range of genres and content types on its services. For arts and religious programming, documentaries and social action campaigns, we propose that instead of quotas, this condition is supported by transparency requirements.¹⁷⁷ We consider that quotas in these areas have the potential to impact the BBC's creative ambition and its ability to evolve its speech output. As audiences continue to move towards online listening, the BBC will need more flexibility to continue to serve them.
- 8.46 The amount of this type of content that the BBC delivers on network radio, however, continues to be an important measure of distinctiveness. We therefore propose to require the BBC to set out its planned output for the year ahead with its Annual Plan. We would

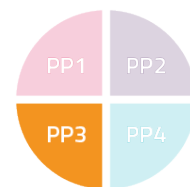
¹⁷³ Proposed Licence condition 3.8.3.

¹⁷⁴ The BBC's delivery of new musical works against its quota of 25 over the last three years has been: 50 (2020), 40 (2019) and 32 (2018).

¹⁷⁵ Proposed Licence condition 3.11.2.

¹⁷⁶ Proposed Licence condition 3.14.5.6 and 3.14.1.

¹⁷⁷ Its current quotas are for arts programming on BBC Radio 2, religious programming on BBC Radio 2 and BBC Radio 4, documentaries on BBC Radio 1, BBC Radio 1Xtra, BBC Radio 2, BBC Radio 3, BBC Radio 4 and BBC Radio 6 Music, and social action campaigns on BBC Radio 1. These areas would be covered by proposed Licence conditions 3.14.5.1, 3.14.5.2, 3.14.5.3, 3.14.5.4 and 3.14.5.7.



expect these levels to stay broadly the same and would require the BBC to provide detailed reasoning for any significant changes to its plans. Social action campaigns are an exception to this, where due to their nature, and as they can take many forms, we no longer believe the number of campaigns to be a meaningful measure of whether audiences have been well served. Instead, we propose a condition for BBC Radio 1 to offer major social action campaigns, supported by a transparency requirement for the BBC to set out its plans to deliver social action campaigns, both on BBC Radio 1 and across its services more widely.

- 8.47 Lastly, we propose to retain the existing BBC Radio 5 Live quota for it to provide commentary on at least 20 different sports throughout the year. Covering a broad range of sports, including those which do not currently receive a great amount of broadcast coverage, sets the BBC apart from other providers and is core to the BBC's duty to serve all audiences. To increase insight into its delivery in this area we also propose to introduce a transparency requirement linked to its Annual Report, for it to set out the sports it covered, and the hours of coverage provided for each.

Transparency requirements

- 8.48 Below we set out proposed transparency requirements for Public Purpose 3. These cover areas where we are proposing to remove quotas, or where we consider extra transparency is necessary. This section includes both what we would require the BBC to report on and extra information regarding our expectations, which we intend to elaborate on in our final statement once we have considered stakeholder views.

BBC Annual Plan

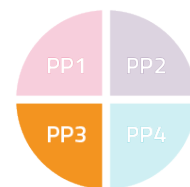
Distinctiveness

- 8.49 Further to our proposal to introduce a condition for the BBC to support creative innovation and new talent,¹⁷⁸ we propose to place transparency requirements on the BBC to set out its plans for ensuring that each of its UK Public Services, including each of the BBC website, BBC iPlayer and BBC Sounds, is distinctive.¹⁷⁹ High-quality, innovation, risk-taking and creative ambition are difficult to capture in the form of quotas. While quotas can be effective proxies for some specific aspects of distinctiveness (as set out above), we consider that the BBC is best placed to exercise its strategic, creative and editorial judgment about these overarching areas. We do however consider greater insight into these areas could be achieved under a new Licence.
- 8.50 We have said in our Annual Report on the BBC that it could go further to demonstrate to audiences how it innovates and takes risks in its output.¹⁸⁰ In its reporting against this requirement, we would expect it to draw upon how and why certain choices it has made have helped it to deliver distinctiveness. For example, this could relate to the format of programmes, the approach to subject matter, talent/producers used, the split between

¹⁷⁸ Proposed Licence conditions 3.2.2, 3.4.2 and 3.8.2.

¹⁷⁹ Proposed Licence condition 3.14.1.

¹⁸⁰ Ofcom, November 2021. [Ofcom's Annual Report on the BBC 2020-21](#), p.49-50.



new vs returning series and the contribution of relevant partnerships and initiatives, such as the BBC's [New Documentary Directors' Initiative](#), [BBC Sounds Audio Lab](#), or BBC Radio 1's [Presenter Uploader](#) tool.

- 8.51 We will use our performance measurement framework and information gathering powers to assess the distinctiveness of the BBC. In response to our Initial Consultation, ITV were of the view that Ofcom should be more inquisitive about the distinctiveness of BBC content under a new Licence and that there has been insufficient scrutiny in this area to date.¹⁸¹ As part of our ongoing work, we are also considering what additional metrics Ofcom could use to assess the BBC's distinctiveness.

Acquisitions

- 8.52 We propose to require the BBC to set out the role that acquisitions will play in its plans to deliver distinctive output and services for audiences.¹⁸² The existing quotas for original productions for TV services already, in effect, cap the hours of acquisitions that the BBC can broadcast on its TV channels. Therefore, this requirement would principally seek to increase transparency around the BBC's wider strategy for acquisitions across its services, including BBC iPlayer and BBC Sounds, and how these help it deliver its Mission and Public Purposes.

First-run UK originations

- 8.53 We recognise that a service neutral first-run UK originations quota has the potential to benefit some audiences more than others. For example, if the BBC were to invest more in first-run UK originations on certain services and/or genres, or show this content at times when audiences do not watch broadcast TV. To mitigate this risk, we propose to introduce a requirement for the BBC to set out with its Annual Plan how it will distribute its first-run UK originated programming across designated services, and to explain how this will allow all audiences to benefit from a range of new, quality UK content that appeals to them.¹⁸³ As part of this we would expect the BBC to include an explanation of how it will serve children's audiences with a range of first-run UK originations.

Range of genres

- 8.54 We propose to require the BBC to set out its plans for providing a wide breadth of output covering a range of genres and content types.¹⁸⁴ As part of this, for its TV services and BBC iPlayer taken together, we propose the BBC must also set out the hours it will deliver in each at-risk genre and a breakdown of these hours by first-run UK originations and acquisitions.¹⁸⁵ While children's programming is a genre in itself, we would expect reporting in this respect to focus on sub-genres, to illustrate how children are able to

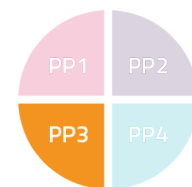
¹⁸¹ ITV, p.2.

¹⁸² Proposed Licence condition 3.14.2.

¹⁸³ Proposed Licence condition 3.14.3.

¹⁸⁴ Proposed Licence conditions 3.2.3, 3.4.3, 3.8.3 and 3.13.

¹⁸⁵ Proposed Licence condition 3.14.4.



benefit from a wide range of genres and content types, including the breakdown between live-action¹⁸⁶ and animation programming.¹⁸⁷

- 8.55 We are also proposing genre reporting requirements for network radio, which are discussed further below. For BBC Sounds, we would expect the BBC to draw on the breadth of its output when reporting against its plans to deliver proposed condition 3.2.3.¹⁸⁸
- 8.56 The BBC should also draw upon the breadth of output and range of genres and content types it provides when reporting on its plans to ensure that each service is distinctive.¹⁸⁹

Discoverability

- 8.57 As part of the BBC's reporting on how it will comply with the proposed conditions 3.2.4, 3.3, 3.4.4 and 3.8.4,¹⁹⁰ we would expect it to set out how it will ensure original UK content is easily discoverable to audiences across services, in particular online. This should include an explanation of how it is exploring opportunities to innovate the ways in which it reaches audiences. As part of our performance assessment, we would seek to consider audience perceptions of the discoverability of the breadth of the BBC's original UK content across its services. Where necessary, we will seek additional information from the BBC.

Network radio

- 8.58 In addition to the broad transparency requirements for network radio services and BBC Sounds, we are also proposing more specific requirements aimed at achieving greater insight into the distinctiveness of the BBC's audio delivery than under the current Licence.
- 8.59 For arts and religious programming, documentaries, live or specially recorded performances and new musical works, for each service to which the current conditions apply, we propose to require the BBC to set out the level of output¹⁹¹ it plans to deliver as part of its Annual Plan.¹⁹²
- 8.60 For social action, we consider that raising information and awareness of social issues affecting young people and creating a forum for discussion remains an important aspect of BBC Radio 1's delivery. For the reasons set out in paragraph 8.46, we propose a transparency requirement for the BBC to set out its plans for delivering social action campaigns on BBC Radio 1 and across the rest of its services.¹⁹³ We would expect it to

¹⁸⁶ Live-action refers to programming involving real people or animals, as opposed to animation or computer-generated effects.

¹⁸⁷ As we set out in our [statement on the BBC's request to change the Operating Licence for original productions on CBBC](#) in May 2022, we expect the BBC to be transparent about the changes it has made to CBBC and to see a wide genre mix with a considerable amount of live-action, alongside animation on the channel.

¹⁸⁸ Proposed Licence condition 3.13 requires it to report on its plans to deliver 3.2-3.4 and 3.8.

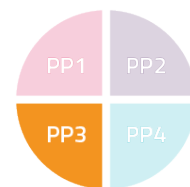
¹⁸⁹ Proposed Licence condition 3.14.1.

¹⁹⁰ Proposed Licence condition 3.13.

¹⁹¹ Current documentary quotas for BBC Radio 1, BBC Radio 1Xtra, BBC Radio 3 are for the 'number' of documentaries rather than 'hours'. In these instances, we propose that under a new Licence, the BBC should set out its planned output in hours. To enable us and stakeholders to track output trends, we propose to initially require that the BBC provide output data against both the 'number' and 'hours' of content.

¹⁹² Proposed conditions 3.14.5.1 to 3.14.5.6.

¹⁹³ Proposed licence condition 3.14.5.7.



report on the nature of the campaigns it is planning, the audiences it is aiming at, what it is aiming to achieve and how it will measure success.

BBC Annual Report

- 8.61 Our proposed Licence would require the BBC to report on whether it has taken the steps it set out to deliver in its plans.¹⁹⁴ As part of this, the BBC would be required to explain whether it made any significant changes from those plans and the reasons why. We would also expect the BBC to reflect on the impact its delivery has had on audiences.

First-run UK originations

- 8.62 With regards to first-run originations, further to our proposal to require the BBC to report on delivery against its plans, we will also continue to collect additional and supplementary information from the BBC, including detailed information about first-run UK originations spend. This is information we already collect on a confidential basis as part of our annual monitoring of all of the public service broadcasters and that we do not publish at a disaggregated level. While budgeting decisions sit with the BBC Board, and while there could be changes to the volume of first-run content, we would expect to see similar proportions of the total budget allocated towards first-run UK originations as seen historically.

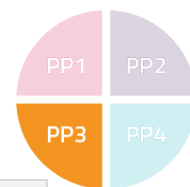
Network radio

- 8.63 To increase insight into the BBC's delivery, we propose to introduce a transparency requirement linked to the BBC's Annual Report for its specialist music output on BBC Radio 1 and BBC Radio 2.¹⁹⁵ This type of content, which caters for specific audiences, is intrinsic to the distinctiveness of each service and while we do not have concerns about the BBC's delivery in this area, we consider that transparency for audiences could be improved. In its reporting, we would expect the BBC to draw upon the breadth of its specialist music offering and the extent to which it has supported UK artists (both established, and new and emerging) and the audio production sector.
- 8.64 We also propose to add a reporting requirement to supplement the BBC's existing quota for BBC Radio 5 Live to offer live commentary on at least 20 sports each year. While we do not have concerns about the BBC's delivery in this area either, we believe that transparency for audiences would be significantly improved if alongside its Annual Report, the BBC set out the sports it had covered, and the hours of coverage provided for each.¹⁹⁶

¹⁹⁴ Proposed Licence condition 3.15.1.

¹⁹⁵ Proposed Licence condition 3.15.3.

¹⁹⁶ Proposed Licence condition 3.15.2.

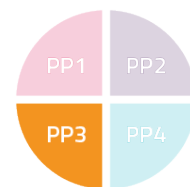


Consultation question 4: Do you agree with the proposals for Public Purpose 3? If not, please explain why.

Case study: BBC Four Licence change request

The BBC plans to change its arts and music offer to deliver greater impact and to reach a wider audience

- 8.65 In its Annual Plans for 2020/21, 2021/22 and 2022/23, the BBC set out its ambition to reform its arts and music offering to audiences across its TV services and BBC iPlayer. As part of its new arts and music strategy, it said it would double its arts and music spend on BBC Two and make BBC Four predominantly an archive channel. It explained in a submission attached to this consultation at Annex 10 (the 'submission') that to implement this strategy, it would require changes to the Operating Licence.
- 8.66 The BBC's rationale for this strategy is grounded in the financial challenges it faces. It stated that it needs to maximise the impact of its spend, and rapidly provide much greater value for younger audiences. It noted in its submission that BBC Four's audience tends to skew towards those who already receive a lot from the BBC. It also explained that the high volume of lower cost arts and music content it currently commissions for BBC Four is not performing well and that BBC Two content attracts larger and wider audiences. For example, the BBC said that in 2020, 28% of audiences watched at least one of BBC Two's 22 music programmes, while BBC Four's 50 music programmes together reached 12%. Its arts audiences in 2020 on BBC Two averaged almost three times that of BBC Four. The BBC also said that BBC Two reaches a broader audience for age, ethnicity and "social class". For example, according to the BBC, in 2021 on average BBC Two reached 13.9% of 16-34 year-olds each week, compared with 1.7% for BBC Four.
- 8.67 The BBC said its strategy aims to ensure the widest possible audience can access its arts and music content across its services. It seeks to achieve this by prioritising new arts and music series of scale, which would also drive viewing on BBC iPlayer. It stated that such commissions on BBC Two will be more commercially rewarding for the producers who win them. Driven by greater exposure and investment on BBC Two, the BBC said that it expects this strategy to deliver a significant net increase in overall viewing to arts and music content. It also predicts viewing on BBC Four would reduce by around five minutes per head per week.
- 8.68 The BBC's strategy also involves changes to BBC Four. The BBC intends to make BBC Four the home of content from its archive, building further on the channel's current archive use, which the BBC said already makes up 70% of BBC Four's broadcast hours today. BBC Four would continue to broadcast arts and music performances, including the BBC Proms and support the works of leading arts institutions across the country, such as the Lyric Theatre Belfast. The BBC also intends to use acquisitions to strengthen BBC Four, including to support content curated around seasons and themed collections, and to capture live performances from partners. It also seeks to acquire content such as international



documentaries and foreign language drama that would help maintain BBC Four as a multi-genre channel, while operating on a lower budget.

In order to implement this strategy, the BBC has requested Ofcom to make changes to two current Licence conditions for BBC Four

8.69 The BBC requests changes to current Operating Licence condition 2.21, which requires the BBC to allocate at least 175 hours each year on BBC Four to new arts and music programmes (including acquisitions); and condition 2.32 requiring 75% of programming across 'all hours' and 60% across peak hours¹⁹⁷ on BBC Four to be original productions.¹⁹⁸

New arts and music programmes

8.70 As a result of its new arts and music strategy, the BBC expects to no longer be able to deliver at least 175 hours of new arts and music programmes on BBC Four. It forecasts that it would deliver 100 hours in 2022/23 and that output would decline further, to 85 hours in 2023/24. In future, the BBC forecasts delivering at least 60 hours of first-run arts and music programmes annually on BBC Four. In its Annual Plan, the BBC provided further context for its plans, noting, "we plan to make over 1,000 hours of arts and music programming available to audiences across BBC iPlayer and our channels, with at least 400 hours broadcast on TV, of which at least 250 hours will be first-run."¹⁹⁹

8.71 Under our wider proposals for changes to the Operating Licence, we are proposing to remove genre quotas and introduce a condition on the BBC to deliver a wide breadth of output. This includes content in at-risk genres - arts and music, children's programming, comedy, specialist factual and religion – that serve audience needs across its TV services (see paragraphs 8.32 - 8.35 above). As part of this, for its TV services and BBC iPlayer taken together, the BBC would be required to set out its plans for the hours it will deliver in each at-risk genre (which includes arts and music), with a breakdown of hours by first-run UK originations and acquisitions.²⁰⁰ Given the expected scale of the reduction in its delivery of new arts and music programming on BBC Four – more than 50% below the quota by 2023/24 – the new Licence would require the BBC to give a detailed explanation for the change.

8.72 However, the BBC has said it would like these changes to take effect as soon as in 2022/23, i.e. before a new Operating Licence would be in place. As such, our considerations have taken into account both the context of the current Licence conditions and our proposed new conditions.

8.73 Our initial view, subject to consultation, is that if the BBC implemented its proposals, audiences would continue to be well served for the following reasons:

¹⁹⁷ Peak hours refers to 'peak viewing time' which, for BBC Four, is defined in the BBC Operating Licence as the hours 19:00 to 24:00.

¹⁹⁸ Current Licence condition 2.32 requires that in each calendar year, the time allocated to the broadcasting of original productions on BBC Four is 75% across all broadcast hours and 60% across peak hours.

¹⁹⁹ [BBC Annual Plan 2022/23](#), p.57.

²⁰⁰ Proposed Licence conditions 3.2.3, 3.4.3, 3.13 and 3.14.4



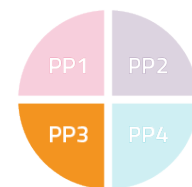
- a) The BBC has committed to the continued provision of arts and music content, and we agree in principle that how the BBC delivers such content across its TV services should be driven by audience needs. The evidence the BBC has provided suggests that arts and music content on BBC Two reaches audiences better than on BBC Four. Our own analysis of BARB data shows that in Q4 of 2021, 98% of BBC Four viewers also watched BBC Two. Therefore, we believe that if new arts and music content shifts to BBC Two, BBC Four's audiences would still continue to be able to benefit from this.
- b) Notwithstanding less focus on new programming, BBC Four would continue to showcase performances such as the BBC Proms and will deliver arts and music output through collections built from its archive. We note, for example, that at the start of April 2022, the BBC introduced a new weekly performance slot on Sunday evening that showcases performances from a mix of new original UK productions, the BBC's archive and acquisitions. We consider that much of the BBC's arts and music programming is likely to have continued relevance and deliver value to audiences over time. Overall, we consider that BBC Four's audience would continue to be able to benefit from quality arts and music output on BBC Four.
- c) The changes could mean the BBC's arts and music output reaches a wider audience, including younger and C2DE²⁰¹ audiences. BBC Two currently reaches 37% of C2DE individuals and 15% of under 35s compared with 10% and 2% respectively for BBC Four.²⁰² The BBC's remit is to serve all audiences, and a shift to BBC Two could help the BBC better deliver on its Mission and Public Purposes.

Original productions

- 8.74 With an increased focus on BBC Four's archive and reallocation of commissioning spend away from BBC Four, the BBC expects to no longer be able to deliver its 75% (all hours) and 60% (peak time) original productions quota for BBC Four. It has requested that the peak time quota is removed and that we instead set one 'all hours' quota of 60%. As noted above, our proposed new Licence will continue to include original productions quotas and we are therefore consulting on the BBC's proposal to reduce this.
- 8.75 In relation to the peak time quota, our Operating Licence defines BBC Four's peak viewing time as 19:00-00:00 each day. BBC Four is a part-time channel which only starts broadcasting at 19:00 each evening. As a result of the shorter broadcasting hours, if the BBC only achieved the 60% original productions it is required to deliver during peak viewing time, it would, in order to meet its 75% 'all hours' quota, have to increase its proportion of original productions outside of peak, i.e., between midnight and when it stops broadcasting, usually at around 03:00.
- 8.76 The BBC argued that if it achieves 60% against its peak time quota, it is obliged to keep BBC Four broadcasting until at least 03:00, and for 100% of these programmes to be original productions to meet the 75% 'all hours' quota. It stated that across 2021/22, 85% of BBC

²⁰¹ Socio-economic group is determined by several factors including income and occupation. In general terms, the highest groups, A and B, are more likely to be well-off, the C1 and C2 groups are in the middle and the lowest groups, D and E, are less likely to be well-off.

²⁰² BARB 28-day consolidated, average weekly reach 15+ consecutive minutes, 2021.

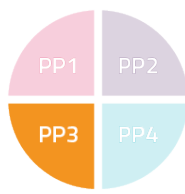


Four viewing was during peak time and that the average audience at this time was 246,000. By comparison, from 00:00 to close, the BBC said average audience numbers were 29,000.

- 8.77 The BBC explained that for these reasons, and to allow it to accommodate an increase in acquired programming, it would like a single 'all hours' quota of 60%.
- 8.78 We have first considered whether there are reasons to continue to set an original productions quota for BBC Four in peak time which is different from its 'all hours' quota, and whether there are reasons to retain an 'all hours' original production quota which is higher than the peak original productions quota. BBC Four only broadcasts a limited number of hours outside peak time (approximately 3-4 hours, out of a total number of broadcast hours of 8-9 hours per day). We believe it is important for the BBC to schedule original productions when most people are watching, so audiences can be provided with the best value offering. Yet, our analysis shows that a substantial proportion of original productions are broadcast in those limited hours outside peak time and during the night. Looking at 2012 to 2020, we found that on average approximately 40% of the hours that counted towards the 'all hours' original productions quota on BBC Four, were delivered after 00:00.²⁰³ Accordingly, given the interplay between the peak and 'all hours' original productions quota on BBC Four, we believe it is reasonable to remove the peak hours quota.
- 8.79 We have next considered what the appropriate level of the 'all hours' quota should be. As explained in paragraph 8.68, the BBC's acquisition strategy for BBC Four sets out that some of the new acquisitions will be captures of live performances through partnerships with UK arts and music institutions. Although such acquisitions would not be defined as original UK content, it reflects UK cultural content, supports the UK creative economy and production sector, and as such can deliver important value to audiences. Partnerships are also an important means for the BBC to engage with and support UK cultural institutions and can help it deliver content from across the UK and its nations and regions to audiences. Therefore, we do not have concerns about the BBC acquiring this type of content.
- 8.80 A further part to the BBC's acquisition strategy for BBC Four is for acquired content to support arts and music themes and collections, and to help the BBC deliver a wide mix of genres on BBC Four, including international documentaries and foreign language drama. We have said before that limited use of acquisitions can help the BBC appeal to different audiences and attract new ones.²⁰⁴ They can also help the BBC refresh schedules where it is financially constrained. Delivering a wide genre mix on each of its services is a key expectation that we, and audiences, have of the BBC, and we can see how acquisitions could help it deliver this on BBC Four, alongside a focus on originally produced archival content. However, we would be concerned if acquisitions played too large a role in the overall content mix, including with respect to the impact this could have on other broadcasters.

²⁰³ Ofcom analysis of BBC transmissions data.

²⁰⁴ Ofcom Annual Report on the BBC 2020-21, p. 9, 48-49.

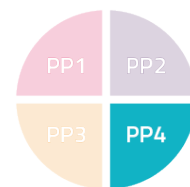


8.81 Overall, our initial view is that a reduction to the 'all hours' original productions quota for BBC Four appears reasonable. This would accommodate acquired performances, and help the BBC maintain BBC Four as a distinctive multi-genre channel.

8.82 However, we consider a 60% 'all hours' original productions quota is low compared with other BBC TV services. We have concerns about the impact on audiences if acquisitions were to play a larger role than original productions in peak time on BBC Four as a result of the combined effects of a removal of a peak quota and reduction in the 'all hours' quota. To balance these concerns with the possible benefits of giving the BBC greater scope to accommodate acquisitions on BBC Four, we propose to set a single 'all hours' original productions quota for BBC Four of 65%, rather than the BBC's request of 60%.

We expect that the difference in the level of original productions required would have a slight impact on the mix of original and acquired content on BBC Four (compared with the BBC's proposal), whereby the BBC is expected to use more repeats of original content and less acquisitions (or less repeats of acquired content). However, we believe that the original productions quota proposed would allow the BBC to implement the strategy it set out, including acquiring arts and music performance captures from its partners, while ensuring a more appropriate level of originated content.

Consultation question 5: Do you agree with our preliminary view on the BBC's request to change Operating Licence conditions 2.21 and 2.32 for BBC Four, including our proposal to remove BBC Four's peak original productions quota and set the 'all hours' quota at 65% instead of 60% as requested by the BBC? If not, please explain why.



9. Proposals for Public Purpose 4

Our main proposals include to:

- Enhance the BBC's transparency requirements on diversity, representation and portrayal.
- Retain the quotas for production in the nations and regions on TV and radio. Allow content made for BBC Sounds to count towards delivery of the network radio production quota for the nations and regions.
- Retain the existing news and current affairs quotas on the BBC's TV and radio services for the nations and regions.
- Replace the non-news and non-current affairs quotas on the BBC's opt-out services for the nations with a condition to provide this output and transparency requirements. These include a transparency requirement for the BBC to set out the hours of first-run content it plans to deliver for each service.
- Retain all speech quotas on the BBC's radio services for the nations.
- For local radio in England, retain quotas for original locally-made programming; retain the core hours speech quota at 60%; but reduce the breakfast peak speech quota from 100% to 75%. This will be supported by a new requirement for the BBC to provide a significant amount of local news and information during the breakfast peak.
- Replace the quota for BBC ALBA to provide content aimed at those learning Gaelic with a condition to provide this output and transparency requirements.

Introduction

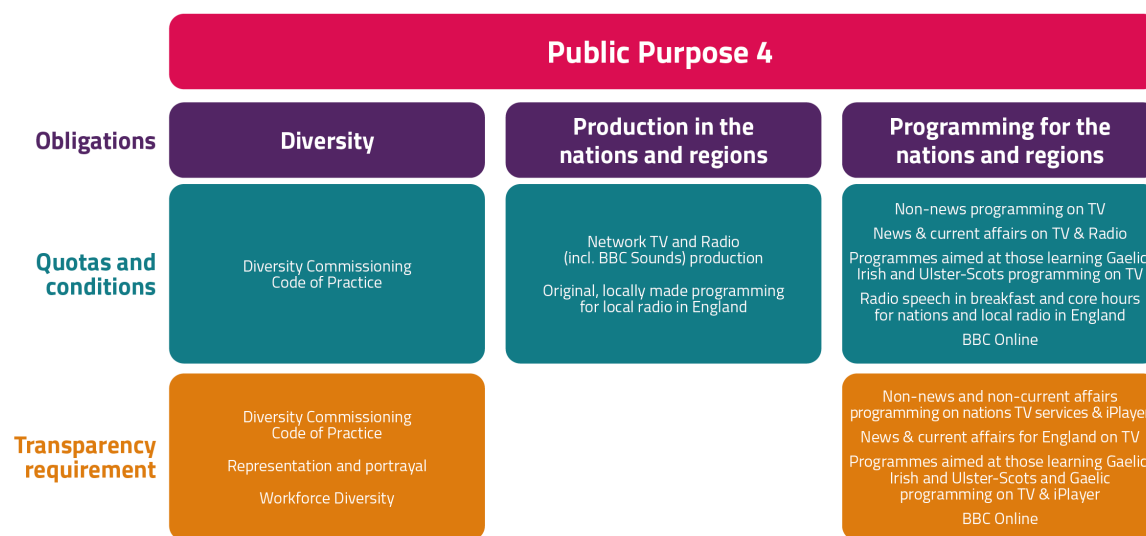
- 9.1 Public Purpose 4 requires the BBC to reflect, represent and serve the diverse communities of all of the UK's nations and regions and, in doing so, support the creative economy across the UK:

“The BBC should reflect the diversity of the United Kingdom both in its output and services. In doing so, the BBC should accurately and authentically represent and portray the lives of the people of the United Kingdom today and raise awareness of the different cultures and alternative viewpoints that make up its society. It should ensure that it provides output and services that meet the needs of the United Kingdom's nations, regions and communities. The BBC should bring people together for shared experiences and help contribute to the social cohesion and wellbeing of the United Kingdom. In commissioning and delivering output the BBC should invest in the creative economies of each of the nations and contribute to their development.” *BBC Charter*

- 9.2 The BBC has a unique role, set out in its Mission, to serve all audiences. It must be able to connect with and remain relevant to a range of audiences, who rightly expect that the BBC should reflect their own lives, along with the diversity of the UK. It is therefore vitally important that the BBC accurately and authentically represents and portrays audiences across the UK.

9.3 In this section, we cover the three areas of Public Purpose 4 – workforce and off-screen diversity, and on-screen audience representation and portrayal; production in the nations and regions; and programming for the nations and regions. For each area, we set out the current Licence conditions and the challenges identified with them. We then explain our proposals for the new Licence, including the proposed objectives, quotas, other Licence conditions and transparency requirements.

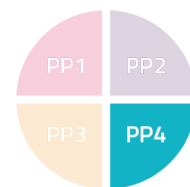
Figure 9: Public Purpose 4 in the new Licence



The current Licence contains requirements related to diversity, and production and programming for the nations and regions

Diversity, audience representation and portrayal

- 9.4 The current Licence sets objectives for the BBC to serve, reflect, and represent the diverse communities of the UK, and for its workforce and commissioned content suppliers to reflect the make-up of different communities across the whole of the UK.
- 9.5 We set conditions in the current Licence to support these objectives. These consist of transparency requirements for the BBC to explain how it is representing and portraying the whole of the UK, to measure and report on audience groups who are dissatisfied with this, and the steps it will take to improve satisfaction. The BBC must also report each year on progress towards its on-screen and on-air representation and portrayal targets, as well as



its workforce diversity.²⁰⁵ In addition, the BBC must report annually on its compliance with its [Diversity Commissioning Code of Practice](#) (DCCoP).²⁰⁶

Production in the nations and regions

- 9.6 The current Licence also sets objectives for the BBC to distribute its production resources across the UK to ensure it supports the creative industries in the nations and regions. In doing so, the BBC should build sustainable growth for the creative industries across the UK.
- 9.7 The corresponding Licence conditions include quotas for the expenditure on, and volume of, network programming the BBC must produce in Scotland, Wales, Northern Ireland, and outside the M25 area in England.²⁰⁷ There are also quotas on expenditure outside the M25 for UK Public Radio Services.²⁰⁸
- 9.8 In May 2022, the Government published [changes to the BBC Agreement](#) which include changes that are relevant to the BBC's delivery of its licence conditions for production in the nations and regions. These include new requirements for the BBC to increase spend in the nations and regions on TV and audio programming by the end of 2027.²⁰⁹ These requirements are the responsibility of the BBC Board and do not fall under Ofcom's regulatory remit.²¹⁰

Programming for the nations and regions

- 9.9 The Licence also sets out that the BBC should ensure programming for the nations and regions serves, and is of interest to, people living in the area for which the service is provided, and that it should contribute to social wellbeing and cohesion.
- 9.10 The related Licence conditions include quotas on programmes of interest for audiences in the nations and regions, covering both news and non-news, and non-current affairs content. These quotas do not specify how much of the BBC programming should be new, as opposed to repeats. The BBC must also provide speech programming on its radio services for the nations and local radio stations in England, and provide original, locally-

²⁰⁵ The BBC must report on the workforce diversity of all its UK Public Service staff, both employees and directly contracted freelancers and must report by age, disability, gender reassignment, race, religion and belief, sex, sexual orientation and socio-economic background. The BBC must report these by job level and job type. The terminology used here to define protected characteristics is from the Equality Act 2010. We are currently reviewing our use of this language as part of our Call for Inputs on [updating Ofcom's workforce data collection](#), p.6.

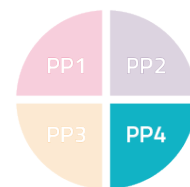
²⁰⁶ The BBC is required to establish and comply with a code of practice, approved by Ofcom, setting out the steps the BBC will take when commissioning content across all genres to ensure that such content accurately represents, authentically portrays and reflects the diverse communities of the whole of the UK. The code of practice must cover commissions produced by the BBC in-house and commissions produced externally.

²⁰⁷ The M25 Area means the area the outer boundary of which is represented by the London Orbital Motorway (M25).

²⁰⁸ BBC Radio 1; BBC Radio 1Xtra; BBC Radio 2; BBC Radio 3; BBC Radio 4; BBC Radio 4 Extra; BBC Radio 5 Live; BBC Radio 5 Live Sports Extra; BBC Radio 6 Music; BBC Asian Network.

²⁰⁹ The Agreement requires the BBC to deliver plans to ensure that, by 31 December 2027, 60% of its expenditure on relevant TV programmes is made outside the M25 area and 50% of its relevant expenditure on network radio programmes and music (taken together) is made outside the M25 area. The Licence includes annual quotas for expenditure outside the M25 area on network TV programming (50%) and on UK Public Radio services (30%) - see current Licence conditions 2.53 and 2.64

²¹⁰ Ofcom enforces the "specified requirements" as defined under article 49 of the Charter and clause 59 of the Agreement.



made programming for England. On BBC Online, the BBC must provide news and information and dedicated sports coverage for the English regions and for Scotland, Wales, and Northern Ireland. In addition, the BBC is required to provide some indigenous language²¹¹ content on TV, radio, and BBC Online.

The BBC's diversity reporting should be improved, and the conditions for the nations and regions should incorporate online

Diversity, audience representation and portrayal

- 9.11 The Licence contains requirements for the BBC to report on how it is representing and portraying audiences across the UK, the diversity of its workforce, and its compliance against its DCCoP. We consider these transparency requirements could be improved to enable us to better understand how the BBC is serving and representing the diverse communities of the UK.

Production in the nations and regions

- 9.12 The Licence currently sets quotas for the BBC to produce, and invest in, a set percentage of its content in the nations and regions. However, these quotas are focused largely on the BBC's TV and radio services and do not capture the BBC's investment in content for BBC iPlayer and BBC Sounds, nor do they incentivise the BBC to deliver content made in the nations and regions for online audiences. We consider these online services offer opportunities for the BBC to reflect the diversity of the nations and regions to the whole of the UK and will become increasingly important in how the BBC delivers for audiences across its services.

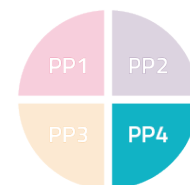
Programming for the nations and regions

- 9.13 The current Licence sets quotas for programming for the nations and regions that apply largely to the BBC's TV opt-out services.²¹² The quotas are focused on the BBC's delivery for TV, but in line with our principles for the new Licence, we consider the Licence should incorporate the BBC's online services to ensure it delivers Public Purpose 4 online.
- 9.14 We have also identified some further conditions which we consider could be improved to better meet audience needs, including the requirements for indigenous languages and the breakfast peak speech quota for local radio in England.
- 9.15 Stakeholders raised concerns in response to our [Initial Consultation](#) about the quality of the BBC's local content; they said that programmes for the opt-out services have smaller budgets than those on the network.²¹³ It was suggested that the BBC should invest its network programme budgets more equitably across the UK's nations and regions to

²¹¹ The current Licence conditions require the BBC to provide Irish and Ulster-Scots programming on TV and radio; programmes aimed at learners of the Gaelic language on BBC ALBA; news and speech programming on its Gaelic and Welsh radio stations; and indigenous language content for all the nations on BBC Online.

²¹² An opt-out service is the national or regional variation of a BBC channel (for example, BBC Two Wales).

²¹³ [Ofcom's Advisory Committee for Scotland](#), p.4.



improve the representation of the different communities of the UK on the network.²¹⁴ In addition, Ofcom's Advisory Committee for Wales has told us that content relevant to audiences in the nations and regions is not easy to find on the BBC's online services, such as BBC iPlayer and BBC Sounds.

- 9.16 More broadly, stakeholders suggested that the BBC could be more open about its strategy, investment and performance in the nations and regions. For example, the Campaign for Regional Broadcasting Midlands felt there could be more transparency on how the BBC spends its licence fee revenue by English region²¹⁵ and MG ALBA noted concerns about the BBC's transparency, accountability, and sufficiency of investment in Gaelic media.²¹⁶ It was also suggested there could be more opportunities for stakeholders and audiences to engage with the BBC at a local level.²¹⁷

We propose to introduce changes to the diversity conditions and the nations and regions requirements

- 9.17 We set out below a summary of our proposals for Public Purpose 4 which seek to incorporate our three principles for the new Licence and to address the challenges set out above.

Diversity, audience representation and portrayal

- 9.18 We propose to introduce a new Licence objective which will be underpinned by the transparency requirements already contained in the Licence. Our proposals would strengthen these requirements further. In summary, we propose to:
- a) Require the BBC to report on its representation and portrayal obligations publicly, rather than to Ofcom only, to both clearly explain its approach to delivery and increase accountability for its performance.
 - b) Strengthen the wording of the requirements on the BBC's Diversity Commissioning Code of Practice, to require the BBC to transparently set out how it is delivering against its commitments.

Production in the nations and regions

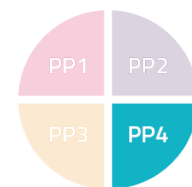
- 9.19 We propose to introduce a new Licence objective, supported by the existing TV and radio quotas for production in the nations and regions. Our proposal seeks to expand these quotas so that they capture production for the BBC's online services. We propose to

²¹⁴ [Campaign for Regional Broadcasting Midlands](#), p.5-6.

²¹⁵ [Campaign for Regional Broadcasting Midlands](#), p.4.

²¹⁶ [MG ALBA](#), p.1.

²¹⁷ [Ofcom's Advisory Committee for Northern Ireland](#), p.1; [Ofcom's Advisory Committee for Scotland](#), p.2. In addition, Below the Radar has called for the BBC to publish the results of its commissioning rounds and to be more transparent in its decision making when deciding not to invest in certain types of programming or commission a particular programme. Furthermore, Screen Scotland has highlighted the importance of the BBC's commissioning presence in Scotland and the role these commissioners play in growing production across Scotland's creative sector which can lead to a more authentic portrayal of Scotland across the BBC.



expand our regulation to online by allowing content made for BBC Sounds to count towards delivery of the network radio production quota for the nations and regions. We would also like to expand the network TV production quotas for the nations and regions to cover programmes made for BBC iPlayer, but this would require changes to the Agreement.

Programming for the nations and regions

9.20 We are proposing to set a new Licence objective, supported by a mix of conditions, quotas, and transparency requirements. In summary, we propose the requirements be updated to:

- a) Replace the BBC's non-news and non-current affairs quotas for the nations with requirements for the BBC to provide this content, including first-run programming. In addition, we are introducing transparency requirements to ensure greater clarity on the BBC's plans to deliver relevant content for audiences in the nations and regions, while also providing the BBC with greater flexibility to decide how best to serve audiences across its services. Removing some of these quotas would require changes to the Agreement.
- b) Introduce additional transparency requirements regarding the BBC's provision of indigenous language programming. We are also proposing to replace the quota for BBC ALBA to provide content aimed at those learning Gaelic with requirements for the BBC to provide this content and to set out its plans for this output, including hours of programming.
- c) Add a requirement for the BBC to provide a significant amount of local news and information during the breakfast peak on BBC local radio in England, while providing the BBC with greater flexibility to serve listeners by lowering the level of the breakfast peak speech quota.

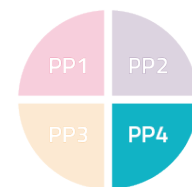
9.21 In the remainder of this section, we set out our three proposed Licence objectives for Public Purpose 4 in more detail and go on to explain our associated proposals for new conditions which support these objectives.

The BBC must represent and portray all audiences, support the UK's creative economy, and create content for the whole of the UK

Objective P4 (1): Representing and portraying all audiences

The BBC should ensure that its UK Public Services reflect the diverse communities of all of the UK's nations and regions across its genres. It should accurately represent and authentically portray the UK's diverse communities and raise awareness of different cultures and viewpoints. In doing so, the BBC should take steps to ensure that its content and programme makers reflect the make-up of different communities from all of the UK's nations and regions.

9.22 This objective is about ensuring that the BBC serves the diverse communities of all of the UK's nations and regions across all of its services. These include age, disability, sex, gender



identity,²¹⁸ race, religion and belief, sexual orientation, socio-economic background and geographic diversity. In order to achieve authentic representation of these communities on-screen, the BBC needs a workforce and content suppliers who also reflect the diversity of the UK.

Objective P4 (2): Supporting the UK's creative industries

The BBC should distribute its investment in a range of productions from across the UK and ensure that it supports sustainable growth in the creative industries across the UK's nations and regions.

- 9.23 This objective focuses on the BBC's role in supporting the UK's creative industries across the UK through its commissioning process and delivery of output. Investing in productions from across the nations and regions should also help deliver better representation and portrayal of the UK's diverse communities on-screen.

Objective P4 (3): Serving and creating content for the whole of the UK

The BBC should serve and create content of interest and relevance to audiences from all of the UK's nations and regions. It should take steps to reach, serve and engage all audiences and make content easy to discover. In Scotland, Northern Ireland and Wales, this content should include indigenous language content and a broad range of genres.

- 9.24 This objective sets out that the BBC should serve audiences from across the UK with relevant content across all of its services, including on its online services. It also adds that the BBC should take steps to ensure that its online content of interest to a given nation or region is easily discoverable for audiences, including on BBC iPlayer and BBC Sounds.

We propose to replace some quotas with transparency requirements and retain conditions where they best serve audiences

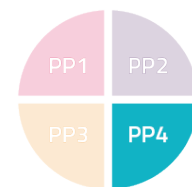
Diversity, audience representation and portrayal

Representation and portrayal

- 9.25 The Licence contains requirements for the BBC to report to Ofcom on how it has met its representation and portrayal licence requirements. We note that how well the BBC reflects, represents and serves the diverse communities of the UK on-screen is rated relatively poorly by audiences. Perceptions tend to be lower among certain groups, including disabled people, those in lower socio-economic groups and those living in Scotland.²¹⁹ Recent research found that audiences rated 'content that features people like

²¹⁸ 'Gender identity' includes the protected characteristics of "gender reassignment" as defined by the Equality Act 2010. We are currently reviewing our use of this language as part of our Call for Inputs on [updating Ofcom's workforce data collection](#), p.6.

²¹⁹ Ofcom, November 2021. [Ofcom Annual Report on the BBC 2020-21](#), p.56.



me' as one of the lowest aspects and almost a third (31%) of audiences wanted the BBC to provide more content that featured their region or nation.²²⁰

“Generally, content is very London focused, the North or other regions such as Scotland/Wales are not very represented”.²²¹ **Man, 18-30yrs**

- 9.26 Last year, the BBC provided Ofcom with detailed information on the steps it is taking to improve satisfaction among less satisfied groups,²²² but our current Licence conditions do not require the BBC to set out such steps publicly. In addition, stakeholders have called for additional transparency on how the BBC is delivering for less satisfied groups.²²³
- 9.27 To increase transparency for stakeholders and audiences, and to boost the BBC's accountability for its performance, we propose that it should report on its delivery of the representation and portrayal requirements publicly.²²⁴ This would require the BBC to set out at the same time as its Annual Plan, the steps it would take to improve satisfaction among less satisfied groups, and report on its performance at the same time as its Annual Report. To support this, we propose to amend the conditions for the BBC to measure and report on audience groups which are less satisfied, rather than dissatisfied. This approach is already being used by the BBC voluntarily to submit audience satisfaction data to Ofcom on all audience groups which rate the BBC's delivery less highly than the UK average and/or its comparator groups.
- 9.28 We propose to maintain the requirement for the BBC to report on progress towards meeting its representation and/or portrayal targets, including its on-screen (TV) and on-air (radio) targets.²²⁵ We consider that this will also capture reporting on any future targets the BBC sets on its UK Public Services including on TV, radio and online.

Workforce diversity

- 9.29 When we first set the Licence, we decided to set regulatory conditions relating to workforce diversity to help secure the delivery of Public Purpose 4. We considered that improvements in the diversity of the BBC's workforce should contribute to better representation and portrayal on-screen and on-air and that high levels of accountability and transparency were essential to achieving positive change in this area. We therefore introduced requirements for the BBC to provide a detailed annual report to Ofcom on the overall make-up of its UK Public Service staff and to report on progress towards its workforce diversity targets.

²²⁰ [Ofcom research: Exploration into audience expectations of the BBC in the current media environment](#), 2021, p.27.

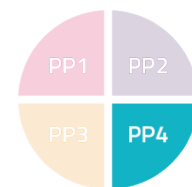
²²¹ [Ofcom research: Exploration into audience expectations of the BBC in the current media environment](#), 2021, p.28.

²²² [Ofcom Annual Report on the BBC 2020-21](#), p.56.

²²³ Ofcom's Advisory Committee for Scotland; Ofcom's Advisory Committee for England.

²²⁴ Current Licence conditions 2.42 to 2.45 and proposed Licence conditions 4.2 to 4.6

²²⁵ The BBC has told us that it plans to set new on-screen (TV) and on-air (radio) diversity targets once new census data is published in 2022. Until then it will continue to use the 2020 targets to help deliver on-screen and on-air diversity representation. These were: a. 50% women on screen, on-air and in lead roles across all genres, from drama to news b. 8% disabled people on screen and on-air including some lead roles c. 8% LGBT on-screen portrayal including some lead roles d. 15% Black, Asian and ethnic minorities on screen, on-air and in lead roles across all genres. See p.61 of the [Ofcom Annual Report on the BBC 2020-21](#).



- 9.30 The BBC has made some progress towards achieving a more diverse workforce over the Charter period, but still has further to go.²²⁶ We consider that the BBC's Licence requirements relating to workforce diversity remain important in supporting further progress in this area.²²⁷
- 9.31 As well as these Licence obligations to secure delivery of PP4, the BBC is also subject to other requirements relating to the diversity of its workforce under the Charter and Agreement. The general diversity duty under article 14 of the Charter includes a requirement for the BBC to ensure that the diverse communities of the whole of the UK are reflected in the means by which its output and services are delivered (including where its activities are carried out and by whom) and in the organisation and management of the BBC. The BBC is also required to make arrangements for promoting equality of opportunity under paragraph 12 of Schedule 3 to the Agreement.²²⁸
- 9.32 We note that the Government published [changes to the Agreement](#) in May 2022, including new requirements for the BBC to make significant progress in the diversity and make up of its workforce by the end of the charter, and in particular towards the BBC Board's targets of 50% women, 25% from low socio-economic groups, 20% from Black, Asian and minority ethnic groups and 12% disabled people.²²⁹ The BBC is required to report on progress towards these matters in its Annual Report. We are proposing to maintain the Licence requirement for the BBC to report to Ofcom on progress towards its workforce diversity targets as this also captures the BBC's LGBTQ+ workforce target²³⁰ and any future targets the BBC may decide to set.
- 9.33 The BBC is an industry leader in the amount of diversity information it collects and publishes. It has responded to our calls to increase transparency in this area by publishing additional data and has made significant progress in reducing data gaps over the Charter period.²³¹ However, in the coming years we want to see all broadcasters collect and share a richer set of data on the diversity of their workforces.²³²
- 9.34 We have previously made clear that we consider publishing workforce diversity data by geographic area would help identify where the BBC, and other broadcasters, need to do more to ensure their workforces in the nations and regions more accurately represent the

²²⁶ See p.63 of [Ofcom Annual Report on the BBC 2020-21](#).

²²⁷ See current condition 2.50 and proposed condition 4.12.

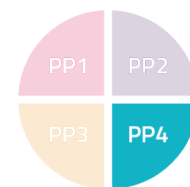
²²⁸ The BBC Board is responsible for ensuring the BBC meets its general duties, including its duty under article 14 of the Charter. Ofcom is required to have regard when exercising its functions (including setting the Operating Licence) to the requirement for the BBC to comply with its general duties. Ofcom is responsible for enforcing the BBC's equality of opportunity duty under paragraph 12, Schedule 3 to the Agreement (see definition of "specified requirements" in clause 59 of the Agreement). In May 2022, the Government published changes to the Agreement which included expanding the scope of the BBC's equality of opportunity duty (for more detail, see Government's [changes to the BBC Agreement](#)).

²²⁹ These changes also include new requirements for the BBC to expand its apprentice scheme, including ensuring that 30% of places are taken up by apprentices from lower socio-economic backgrounds. For more detail, see Government's [changes to the BBC Agreement](#).

²³⁰ [BBC Diversity and Inclusion Plan 2021-2023](#), p.16.

²³¹ For example, the BBC has made significant progress in the collection of data on the socio-economic background of its employees (see p.62 of [Ofcom Annual Report on the BBC 2020-21](#)).

²³² As part of our wider Diversity in Broadcasting work, we are currently [consulting on improving the quality of data we collect](#). This includes proposals for voluntary reporting on workforce by geographic area.



audiences they serve.²³³ The proposal to report on the make-up of broadcasters' workforces in this way has been supported by a range of stakeholders.²³⁴ This data may also be useful in helping the BBC to monitor and assess the success of its [Across the UK strategy](#). We therefore welcome the BBC's recent positive response to our request to provide this data. This will enable Ofcom to publish BBC workforce diversity data for the nations in our [Equality of Opportunity in Broadcasting reporting](#) for the first time this autumn, and will mark the start of a new chapter in UK broadcasting diversity reporting. For this reason, we do not consider it necessary to propose introducing further Licence requirements to require the provision of geographic data at this time. However, we will continue to closely monitor the information made available for publication, in order to hold the BBC to account in this area.

- 9.35 We propose to update the BBC's Licence requirements for workforce diversity reporting to give us the flexibility to modify the categories of data we collect on job roles and levels.²³⁵ We also intend to update the terminology used in the BBC's workforce diversity and representation and portrayal Licence requirements relating to 'gender reassignment'.²³⁶ These amendments will ensure the BBC's reporting continues to be consistent with the wider broadcasting industry's reporting on the diversity of their TV and radio workforces. This should enable us to reflect best practice in the data we collect from the BBC and avoid unnecessary administrative complexity for the BBC and Ofcom.

Diversity Commissioning Code of Practice (DCCoP)

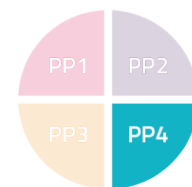
- 9.36 When we first set the Licence, we decided to require the BBC to create a diversity commissioning Code of Practice, to be approved by Ofcom, by May 2018. The DCCoP marked a step change in the BBC's commitment to embed diversity considerations into both its commissioning practices, and in the requirements placed on content makers to set and account for delivery of agreed diversity objectives. The DCCoP plays an important role in supporting the BBC's objective of ensuring that all audiences are accurately represented and portrayed on-screen, and we consider it important to expand requirements relating to the Code of Practice in the new Licence.
- 9.37 The Licence sets requirements for the information the BBC must set out in its DCCoP. Specifically, the BBC must set out the steps it will take when commissioning content in respect of on-screen portrayal and casting, the workforce diversity of commissioned production teams, and the production and commissioning decision process. The BBC has used the DCCoP to also set out its expectations of commissioned production teams and how it will monitor compliance by such teams with these expectations. We welcome these elements of the code, which are important for holding producers to account in this area. We propose to expand the relevant Licence requirements on what the code of practice

²³³ [Ofcom Annual Report on the BBC 2020-21](#), p.62; [Five-year review: Diversity and equal opportunities in UK broadcasting](#), p.34.

²³⁴ For example, see the Scottish Government's [response to Ofcom's proposed plan of work 2022/23](#), p.2. and [responses to our Call for inputs](#) on updating Ofcom's workforce data collection.

²³⁵ Current Licence condition 2.50 and proposed Licence condition 4.12.

²³⁶ Current Licence conditions 2.42.1 and 2.50.1 and proposed Licence conditions 4.2.1 and 4.12.1. The final wording will take into account our Call for Input findings on updating Ofcom's workforce data collection.



must cover to reflect these aspects of the current Code and ensure the BBC continues to set out this information in its DCCoP.²³⁷

- 9.38 The Licence also requires the BBC to monitor its compliance with its DCCoP and report annually to Ofcom on this.²³⁸ We have repeatedly raised concerns that the BBC's reporting on its compliance with the DCCoP has not been clearly linked back to the commitments within the Code. The BBC's reporting has consistently lacked detail on how it holds itself and its suppliers to account for meeting the DCCoP commitments, so it remains difficult to assess how much progress is being made.²³⁹
- 9.39 To address this, the BBC has agreed to deliver a more detailed report to Ofcom this year on progress against its DCCoP requirements, which we welcome. However, to ensure it delivers improved reporting on an ongoing basis, we propose to clarify that as part of reporting annually on its compliance with the DCCoP, the BBC must report on the steps it has taken in respect of any commissioned production team that did not meet the expectations in the Code. This is to address our concerns that the BBC has not, to date, set out sufficient information on how it is holding producers to account. We also propose to specify that the BBC must report on the number of commissions where production teams did not meet the code's expectations, detailing whether these were internal or external commissions. This should provide more clarity on the scale of non-compliance by producers and enable us to track progress in this area.²⁴⁰

Production in the nations and regions

TV production

BBC iPlayer content

- 9.40 The production quotas²⁴¹ for the nations and regions currently apply to first-run programming for the BBC's TV network channels.²⁴² We agree with stakeholders that they help secure investment in the production sector and help support the creative economies of the UK's nations and regions.²⁴³ However, programmes that are produced for BBC iPlayer cannot currently be counted towards delivery of these quotas.
- 9.41 One of the key principles of our new Operating Licence is that the BBC should be able to deliver content where it best meets the needs of audiences – across both broadcast and online services. We therefore believe the BBC should be able to count first-run content made outside the M25 for BBC iPlayer towards delivery of its production quotas.
- 9.42 The Agreement requires Ofcom to set quotas for programme making in the nations and regions to ensure that a suitable proportion of all network programmes in the UK are made

²³⁷ Current Licence condition 2.46 and proposed Licence condition 4.8.

²³⁸ Current Licence condition 2.48 and proposed Licence condition 4.9.

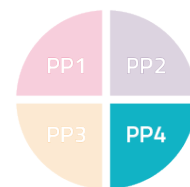
²³⁹ Since the DCCoP was first introduced in 2018, the BBC reports that only 30 of 46 commitments have been fully implemented and 16 are still in progress – the majority of which relate to expectations of producers.

²⁴⁰ See proposed Licence condition 4.10.

²⁴¹ Current Licence conditions 2.53 – 2.62 and proposed Licence conditions 4.15 - 4.26.

²⁴² The production quotas for the nations and regions do not include acquisitions.

²⁴³ [Ofcom's Advisory Committee for Northern Ireland](#), p.2.



outside the M25. In light of the above, we recommend that as part of the Mid-Term Review, the government consider an amendment to the Agreement so that Ofcom is able to set these quotas for programmes made in the United Kingdom outside the M25 that apply to programmes produced both for the network and for BBC iPlayer.²⁴⁴

- 9.43 However, although many people are watching less broadcast TV, we recognise that some audiences will continue to rely on TV for some time and should not miss out on the potential benefits of better on-screen representation and portrayal of the UK's diverse communities, if they do not watch programmes online. Therefore, if we implement this proposal, we will monitor the proportion of the quotas met with production for network television and for BBC iPlayer.

Co-commissions between network and opt-out services

- 9.44 The BBC has told us that its nations and network commissioning teams co-commission programmes where they are of interest to a particular nation or region but also have wider appeal and would benefit from increased commissioning budgets. To ensure this programming counts towards delivery of the production quotas, the BBC currently shows them on the network first. However, it considers this does not always benefit audiences, and that it can be in audiences' interests to make these programmes available on the opt-out services first, and the network channels thereafter. It has also said that, following its Across the UK strategy, such co-commissions are an increasingly significant part of its commissioning strategy to drive national and regional portrayal.

- 9.45 We recognise the value of these programmes to audiences, and we want our regulation to incentivise the BBC to continue to provide audiences with high-quality output. Therefore, we will update the Licence to clarify that co-commissions can count towards the production quotas for the nations and regions when shown on an opt-out service first.²⁴⁵

Radio production

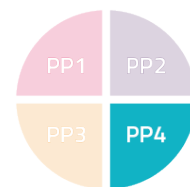
BBC Sounds content

- 9.46 We propose to change the network radio production spend quotas for the nations and regions so that content made for BBC Sounds is included within the quotas, in line with our aims to incorporate online delivery in the Licence.²⁴⁶ However, we recognise that many listeners continue to rely on live radio listening and that it is important for representation and portrayal that such listeners also have access to programming made outside the M25. We therefore expect the BBC to continue to invest in producing network radio programmes outside the M25 Area. We propose to monitor the BBC's delivery in this area, including the proportion of the quotas met with production for network radio and BBC Sounds. Unlike for BBC iPlayer content, we can make this change in the Licence without a change to the Agreement.

²⁴⁴ Schedule 2 (7) of the BBC Agreement.

²⁴⁵ Proposed Licence condition 4.26.

²⁴⁶ Current Licence condition 2.64 and proposed Licence condition 4.28.



Locally-made programming on local radio in England

- 9.47 The current Licence contains quotas for the BBC to provide locally-made programming on local radio in England.²⁴⁷ We consider these conditions are important in ensuring that the BBC continues to deliver locally relevant content and supports the local radio production sector. We note the government has said it will simplify the local production requirements for commercial radio services.²⁴⁸ However, we recognise that the BBC, as a public service broadcaster, has a key role in supporting radio production in the nations and regions and we therefore propose to retain these requirements on BBC local radio in England.
- 9.48 The Licence allows the BBC to share its original, locally-made programming with 'neighbouring stations' in England. The BBC currently shares programmes between stations which share a geographic border. However, the BBC considers that sharing programming over a wider geographic area may be appropriate in certain cases and has said that it wishes to consider this going forward. It has therefore asked Ofcom to clarify the meaning of neighbouring stations.
- 9.49 We consider that any station which is in the same geographic area, but which does not necessarily share a geographic border, would constitute a neighbouring station. We do not consider that this requires a change to the Licence. However, we believe it is important to monitor the stations between which the BBC shares its programming, as well as the specific programming being shared. We intend to do this going forward to ensure that the BBC continues to provide important local content such as local news.
- 9.50 Finally, these quotas are currently weekly quotas so we propose to amend them so that they apply across the year. This is in line with the changes we are proposing to make to other daily and weekly quotas in the Licence. We discuss this in more detail in Section 6 above.

Transparency

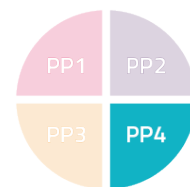
- 9.51 We note that the government has published [changes to the BBC Agreement](#) which include new requirements for the BBC to report each year on progress towards its Across the UK objective in its Annual Report. This objective includes securing that the BBC's investment in, and development of, the creative industries is more widely distributed across the whole of the UK.²⁴⁹ Taking account of this, we do not propose to introduce additional transparency requirements in the Licence relating to how the BBC is supporting the creative economy in the nations and regions, because this will be covered by the BBC's Across the UK reporting.²⁵⁰

²⁴⁷ Current Licence condition 2.75 and proposed Licence condition 4.40.6.

²⁴⁸ Department for Digital, Culture, Media & Sport, April 2022. [Government response to the Digital Radio and Audio Review](#), paragraph 2.1.

²⁴⁹ This objective also includes securing that the content of the UK Public Services more fully reflects and represents people and perspectives in the UK that currently are under-represented in that content.

²⁵⁰ As explained in paragraph 9.8, these [changes to the BBC Agreement](#) are the responsibility of the BBC Board and do not fall under Ofcom's regulatory remit.



Programming for the nations and regions

TV programming

9.52 The current Licence contains a range of quotas for programming for the nations and regions.

News and current affairs requirements

9.53 We propose that Objective P4 (3) is supported by the existing quotas and requirements for news and current affairs on the BBC's opt-out services.²⁵¹ Maintaining these conditions is also in line with our approach to maintaining the BBC's news quotas for its TV services which serve UK wide audiences under Public Purpose 1.²⁵² We will also retain the requirements on news for BBC ALBA²⁵³ and BBC Scotland,²⁵⁴ and the quota to provide coverage of parliamentary proceedings for each nation on BBC Parliament.²⁵⁵

9.54 Research conducted for our *Small Screen: Big Debate* review found that PSBs are considered particularly important for providing news and current affairs for the nations and regions,²⁵⁶ which the market may not otherwise provide, a point also made by stakeholders.²⁵⁷ Our research also shows that audience satisfaction with the BBC's regional TV news is generally high.²⁵⁸

9.55 We note that, unlike for Scotland, Wales and Northern Ireland, there are currently no specific quotas which require the BBC to provide news and current affairs programming on its TV opt-out services in England. However, the provision of such content is to some extent protected by the quotas which apply to content for the BBC's opt-out services taken together, and at this point we do not think that it is necessary to set news and current affairs quotas specifically for opt-out services in England. However, we do think it is necessary for there to be additional transparency around the BBC's delivery of regional news and current affairs in England. We therefore propose to require the BBC to set out the total hours of news and current affairs programming on TV it plans to provide on its opt-out services in England, with its Annual Plan, and to report against its delivery with its Annual Report.²⁵⁹

²⁵¹ This means retaining the quota for news programming which applies to all the BBC One opt-out services across the nations and regions of England, which is required by the Agreement (current Licence condition 2.68 and proposed Licence condition 4.32). We would also retain the news and current affairs quotas on each nation's opt-out service (these quotas were set by Ofcom and are not required by the Agreement) (current Licence conditions 2.78.1, 2.85.1, 2.91.1 and proposed Licence conditions 4.46.1, 4.55.1, 4.63.1).

²⁵² Section 6.

²⁵³ Current Licence condition 2.81 and proposed Licence condition 4.48.1.

²⁵⁴ Current Licence condition 2.80.5 and proposed Licence condition 4.47.2.

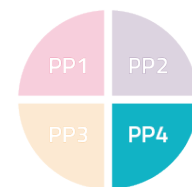
²⁵⁵ Current Licence condition 2.70 and proposed Licence condition 4.34.

²⁵⁶ Jigsaw Research report for Ofcom, 2020. [The impact of lockdown on audiences' relationship with PSB](#), p.7.

²⁵⁷ [Ofcom's Advisory Committee for Northern Ireland](#), p.2; and Ofcom, July 2021. [Small Screen: Big Debate – Recommendations to Government on the Future of Public Service Media](#), p.21, footnote 68.

²⁵⁸ [Ofcom 2021 News Consumption Survey](#) online sample only. 82% of adults who follow news on BBC regional TV are satisfied with the quality of the local news they provide.

²⁵⁹ Proposed Licence condition 4.68.2.



Programming quotas for the nations and regions

- 9.56 The Agreement requires Ofcom to set programming quotas for the nations and regions that apply to the BBC's opt-out services taken together. These require a minimum number of hours of programming (including news and non-news) across the opt-out services, as well as a minimum number of hours of non-news before, during, and just after peak.²⁶⁰
- 9.57 These quotas ensure the BBC provides non-news output for the nations and regions on TV. However, the focus on TV quotas also means that even if the BBC delivers high-quality, distinctive output on BBC iPlayer, this programming would not count towards delivery of the quotas.
- 9.58 We therefore would like to replace these programming quotas with conditions to deliver this content, as well as transparency requirements. This would provide the BBC with the flexibility to deliver programming for the nations and regions across its TV and online services to better meet audience needs. We therefore recommend that as part of the Mid-Term Review, the government consider amending the Agreement to remove the requirement for Ofcom to set quotas for non-news programming in the nations and regions.

Non-news and non-current affairs programming quotas on individual nations opt-out services

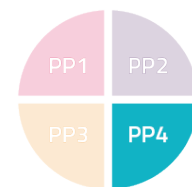
- 9.59 In addition to the programming quotas, the Licence also contains separate non-news and non-current affairs quotas on the opt-out services in Scotland, Wales and Northern Ireland.²⁶¹ We consider that conditions to provide this output, together with transparency requirements, would serve audiences better by providing the BBC with more flexibility to adapt its provision to meet audience needs, for example by providing more or less hours of programming on a particular service, or delivering content on iPlayer for those who prefer to view content online. As such, we propose to replace the quotas with requirements for the BBC to provide non-news and non-current affairs programming for each nation's opt-out service, including first-run programming, together with new transparency requirements.²⁶²
- 9.60 These transparency requirements would require the BBC to set out its plans for providing a range of non-news and non-current affairs content, including its planned first-run and total hours on each nation's opt-out service with its Annual Plan. It would then be required to report on its delivery with its Annual Report.
- 9.61 While there is no existing non-news and non-current affairs quota for BBC Scotland, we propose to add a requirement for provision of this content, including first-run programming, together with similar transparency requirements.²⁶³ This is consistent with our general approach for programming for the nations and regions and would provide more transparency about the BBC's non-news and non-current affairs output on BBC Scotland, including first-run hours.

²⁶⁰ Current Licence conditions 2.67.2, 2.67.6, 2.67.8 and proposed Licence conditions 4.31.1, 4.31.4, 4.31.5.

²⁶¹ Current Licence conditions 2.78.2, 2.85.2, 2.87, 2.91.2 and 2.93.

²⁶² See proposed Licence conditions 4.46.2, 4.55.2, 4.56, 4.63.2, 4.64 and 4.68.3.

²⁶³ See proposed Licence conditions 4.47.3 and 4.68.3



9.62 We also think the Licence should provide insight on the BBC's delivery for audiences in the nations and regions on BBC iPlayer, in line with our principle of incorporating the BBC's delivery online. Therefore, we are also proposing to require the BBC to set out its plans for providing content of interest and relevance for the UK's nations and regions on iPlayer, including its planned first-run hours of non-news and non-current affairs content, and to report on delivery with its Annual Report.²⁶⁴ This would provide transparency as to how the BBC is using its online services to deliver content of relevance to audiences in the nations and regions.

A suitable range of programmes made in the relevant area

9.63 We intend to maintain the requirements for the BBC to ensure that 95% of programming on the BBC's opt-out services taken together is made in the relevant area and that 90% of first-run programming on BBC Scotland is made in Scotland.²⁶⁵ This is to ensure that the BBC continues to support local producers with its programming for these channels.

Indigenous languages

9.64 The BBC makes an important contribution to broadcasting in the UK's indigenous languages in line with its duties in the Charter and Agreement. It supports dedicated services for the delivery of TV and radio content in Gaelic (BBC ALBA and BBC Radio nan Gàidheal) and Welsh (S4C²⁶⁶ and BBC Radio Cymru). Respondents to our *Small Screen: Big Debate* review and our Initial Consultation have emphasised the importance of protecting this provision in future PSB regulation.²⁶⁷

9.65 Taking account of this, we propose to retain existing conditions for the BBC to provide Irish and Ulster Scots programming on TV and radio.²⁶⁸ The current condition requires the BBC to provide this output on BBC Two Northern Ireland only (rather than BBC One Northern Ireland as well). We do not consider that this benefits audiences as it does not incentivise the BBC to show this output on BBC One Northern Ireland, which has a higher audience reach.²⁶⁹ Therefore we are proposing to amend this condition so the BBC has the flexibility to provide this output across both channels.

9.66 We also propose to enhance transparency regarding the BBC's delivery of this content by introducing new requirements for the BBC to set out its plans for delivering Irish and Ulster-Scots programming on BBC One Northern Ireland, BBC Two Northern Ireland and BBC iPlayer, including planned hours and first-run hours.²⁷⁰

9.67 The Licence also contains a quota that requires the BBC to provide a set number of hours of programming aimed at audiences learning Gaelic on BBC ALBA.²⁷¹ We consider that the

²⁶⁴ See proposed Licence condition 4.68.3

²⁶⁵ Current Licence condition 2.67.4 and 2.80.3 and proposed Licence conditions 4.31.3 and 4.47.1.

²⁶⁶ S4C's public funding is now wholly provided from the licence fee. However, it is an independent organisation established by statute and accountable to the UK Government. This is why it does not form part of the BBC's Operating Licence. For more information, see [Partnership, Funding and Accountability Agreement between the BBC and S4C](#).

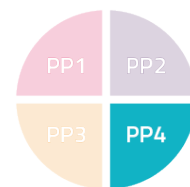
²⁶⁷ [Small Screen: Big Debate](#), p.23, footnote 85.

²⁶⁸ Current Licence conditions 2.94 and 2.95.4 and proposed Licence condition 4.65 and 4.66.4.

²⁶⁹ BARB. Reach criteria: average weekly, 15+ consecutive minutes.

²⁷⁰ See proposed Licence condition 4.68.5.

²⁷¹ Current Licence condition 2.24.



Gaelic learning requirement could be improved by providing more insight on how its programming helps people to learn Gaelic, including on iPlayer. MG ALBA has also raised concerns that “BBC ALBA’s quota of 5 hours of ‘originated programming aimed at those learning the Gaelic language’ is not clearly enough defined to be measured accurately and does not easily relate to strategic considerations for helping people learn Gaelic across all platforms”.

- 9.68 Therefore, we propose to replace the quota with a requirement for the BBC to provide this output on BBC ALBA together with transparency requirements. These will require the BBC to set out its plans to provide programming aimed at those learning the Gaelic language for BBC ALBA and BBC iPlayer, including its first-run and total hours of relevant programming.²⁷² The BBC will need to report on delivery of its plans with its Annual Report. We believe this should lead to more meaningful and transparent reporting on how the BBC is helping audiences learn Gaelic.
- 9.69 We also propose to introduce transparency requirements regarding the BBC’s delivery of Gaelic content more broadly across its relevant TV services. As part of this, we propose that the BBC must set out its planned hours and first-run hours of Gaelic on BBC ALBA and BBC iPlayer and report on delivery with its Annual Report.²⁷³

Nations and local radio programming

News conditions

- 9.70 We know that those who listen to BBC local and nations’ radio news value it highly.²⁷⁴ We propose to retain the existing news conditions on BBC local and nations’ radio stations in line with retaining news conditions on TV for Public Purpose 1 and 4; and apply the weekly news quotas across the year, in line with our proposals for Public Purpose 1 (see Section 6).²⁷⁵ We also propose to retain the condition to provide news at intervals throughout the day on local radio stations in England,²⁷⁶ and we propose to introduce a similar requirement to provide news bulletins at intervals throughout the day for the nations’ radio stations, to ensure that news is still made available regularly.²⁷⁷

Speech quotas

- 9.71 The Licence contains quotas that require the BBC to provide speech content on its nations’ and local radio stations in England during core hours and the breakfast peak.²⁷⁸ These

²⁷² See proposed Licence condition 4.48.2 and 4.68.4.

²⁷³ See proposed Licence condition 4.68.5.

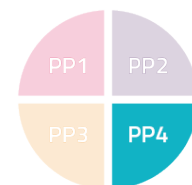
²⁷⁴ [Ofcom 2021 News Consumption Survey](#) online sample only. 80% of adults who follow news on BBC nations’ or local radio are satisfied with the quality of the local news they provide.

²⁷⁵ Current licence conditions 2.82.1, 2.88.1, 2.89.1, 2.95.1, 2.95.2 and proposed Licence conditions 4.49.1, 4.57.1, 4.58.1, 4.66.1 and 4.66.2.

²⁷⁶ We are proposing to amend the wording of the condition from “news” to “news bulletins” to make it consistent with the conditions we are introducing for the nations’ radio stations. Current Licence condition 2.74.1 and proposed Licence condition 4.40.3.

²⁷⁷ Proposed Licence condition 4.49.2, 4.57.2, 4.58.2, 4.66.3.

²⁷⁸ Current Licence condition 2.71-2.73.



conditions ensure that audiences in the nations and regions are provided with locally focused speech content.

- 9.72 The BBC has told us that research it carried out in 2018 indicated that listeners to BBC local radio stations in England consider that the lack of music at breakfast negatively impacted their perceptions of BBC local radio stations. The BBC added that financial pressures have made it increasingly difficult to deliver 100% speech during the breakfast peak while maintaining quality levels across all news and features. As a result, the BBC has asked that the requirement to deliver 100% speech during the breakfast is removed on its nations and local radio stations in England. It argues that the ability to play four or five songs during this time could help drive engagement with local news and better serve audience needs overall. We note however that Radiocentre considers that the BBC's radio speech quotas (both for 60% in core hours and 100% during the breakfast peak) are important for ensuring the distinctiveness of the BBC's local radio services from commercial services, which provide more music.²⁷⁹
- 9.73 We also note that listening data for England shows that weekly reach to these stations overall has been in long-term decline, particularly driven by those aged 55+. This includes listening during the breakfast peak, where the BBC must provide 100% speech output.²⁸⁰
- 9.74 Therefore, we propose to maintain the core hours speech quotas on BBC local radio stations in England, in order to ensure the BBC continues to serve listeners with a significant proportion of high-quality speech (including local news) during core hours.²⁸¹ At this stage we do not consider it is appropriate to remove the breakfast peak speech quota altogether, but we do think the BBC should have some flexibility during its breakfast programming to better meet audience needs. We therefore also propose to reduce the breakfast speech quota to 75%, and to add a requirement for the BBC to provide a significant amount of local news and information during the breakfast peak.²⁸²
- 9.75 For the BBC's nations' radio services, we do not consider it is appropriate to reduce the breakfast peak speech quota because these stations primarily broadcast speech output during the morning. Therefore, we propose to retain all of the existing speech quotas on the nations' radio stations to ensure they continue to deliver news and current affairs and content of national interest at popular listening times.²⁸³ These conditions will also help ensure the nations' radio stations are distinctive from commercial services which tend to play more music.

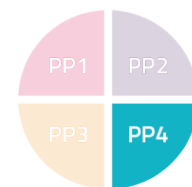
²⁷⁹ Radiocentre, p.36-37.

²⁸⁰ RAJAR. Note: Due to a change in methodology necessary due to lockdown and the Covid-19 restrictions, caution is needed when comparing data from Q3 2021 onwards data with Q1 2020 and earlier. However, the historical data indicates a long-term decline.

²⁸¹ Current Licence conditions 2.71-2.72 and proposed Licence condition 4.40.1.

²⁸² Proposed Licence conditions 4.40.2 and 4.40.4. The current requirement is to provide 100% of speech programming during the breakfast peak see current Licence condition 2.71.2.

²⁸³ Current Licence conditions 2.71-2.72 and proposed Licence conditions 4.35-4.36.



Range of content across TV, radio and online

- 9.76 There are existing conditions in the Licence which require the BBC to provide relevant content in a broad range of genres which reflects a given nation's culture on the BBC's nations' opt-out services and on BBC Scotland.²⁸⁴ There are also conditions for the BBC to provide content and music of relevance on each nation's radio stations²⁸⁵ and content of relevance on each BBC local radio station.²⁸⁶ However, there are no equivalent conditions to provide this output on the BBC's online services or BBC ALBA. Therefore, in line with Objective P4 (3), and our principle to incorporate the BBC's online delivery, we propose to expand these conditions to incorporate BBC iPlayer, BBC Sounds, the BBC website and BBC ALBA.²⁸⁷ We also propose to introduce a transparency requirement for the BBC to set out its plans for providing relevant content on its online services with its Annual Plan, and report on whether it has delivered these plans with its Annual Report.²⁸⁸
- 9.77 We also propose to retain the obligations for the BBC to provide news and information, indigenous language content and sports content for Scotland, Wales, Northern Ireland and the English regions on BBC Online, to ensure that the BBC continues to deliver this content.²⁸⁹
- 9.78 While we want to give the BBC additional flexibility to provide more programming for the nations and regions on its online services, including on BBC iPlayer and BBC Sounds, this is of limited benefit to audiences if it is not easily discoverable. Therefore, we propose to introduce requirements to ensure the BBC makes its online content of interest and relevance to audiences in the nations and regions (including its news and information, indigenous language content and sports content) easily discoverable.²⁹⁰

Transparency requirements

- 9.79 In addition to the specific transparency requirements outlined above, we are proposing to introduce a broader requirement for the BBC to set out each year with its Annual Plan the steps it plans to take to provide content of interest and relevance to audiences in Scotland, Wales, Northern Ireland and the regions of England. The BBC will need to set out any significant changes it plans to make from its current provision and the reasons for those changes. The BBC will also need to report at the same time as it publishes its Annual Report on whether it has delivered these plans, including whether it has made any significant changes and the reasons for them.
- 9.80 In setting out its plans for programming for the nations and regions, we would expect the BBC to explain how it has taken account of audience needs, for example through conducting audience research or through its engagement with stakeholders.

²⁸⁴ Current Licence conditions 2.79, 2.80.1, 2.80.2, 2.86 and 2.92.

²⁸⁵ Current Licence conditions 2.82.3, 2.83.2, 2.88.2, 2.89.2, 2.95.3.

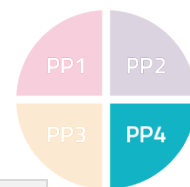
²⁸⁶ Current Licence condition 2.74.2.

²⁸⁷ See proposed Licence conditions 4.37, 4.40.5, 4.42, 4.43, 4.51, 4.52, 4.59 and 4.60.

²⁸⁸ See proposed Licence condition 4.68.1.

²⁸⁹ Current Licence conditions 2.77, 2.84, 2.90 and 2.96 and proposed Licence conditions 4.38, 4.44, 4.53 and 4.61.

²⁹⁰ Proposed Licence conditions 4.39, 4.45, 4.54 and 4.62.



Consultation question 6: Do you agree with the proposals for Public Purpose 4? If not, please explain why.



10. Next steps

- 10.1 This consultation closes on 14 September 2022. We will then review stakeholder responses and make any changes required to our proposals, before publishing a final statement and a new Operating Licence in early 2023. We are proposing that the new Operating Licence would come into effect on 1 April 2023.

We will work with Government on possible changes to the Agreement

- 10.2 Alongside our proposals for a new BBC Operating Licence, we have set out throughout this consultation our provisional views on where possible changes to the Agreement could support the delivery of the Mission and Public Purposes. For clarity, these are reiterated below.

Production in the nations and regions

- 10.3 The Agreement requires Ofcom to set quotas for programme making in the nations and regions to ensure that a suitable proportion of all network programmes in the UK are made outside the M25. We consider these quotas remain important in ensuring the BBC continues to support the creative economies across the UK, including in each of the nations. However, the BBC can currently only deliver this quota on its network TV services.
- 10.4 One of the key principles of our proposed Operating Licence is that the BBC should be able to deliver content where it best meets the needs of audiences – across both broadcast and online services. As part of the Mid-Term Review, we therefore recommend that Government consider amending the Agreement so that Ofcom is able to set quotas for programmes made in the United Kingdom outside the M25 area that apply to programmes produced both for the network and for BBC iPlayer.

Programming for the nations and regions

- 10.5 The Agreement requires Ofcom to set quotas for programming for the nations and regions that apply to the opt-out services taken together to ensure that a certain amount of news, and non-news programming is provided across all the national and regional versions of BBC One and BBC Two.²⁹¹
- 10.6 We consider that for non-news content, audiences would be better served by a requirement for the BBC to deliver this content, combined with transparency requirements, rather than a quota. We therefore recommend that as part of the Mid-Term Review, the government consider amending the Agreement to remove the requirement for Ofcom to set quotas for non-news programming in the nations and regions.

²⁹¹ Schedule 2(6)(1) of the Agreement.



Original productions

- 10.7 The Agreement requires Ofcom to set quotas for original productions on each of the UK Public Television Services. At this time, we consider these quotas continue to play an important role in ensuring that the BBC serves audiences with a significant amount of original UK content and in capping acquisitions on individual broadcast TV services. However, as the broadcasting sector evolves further, and the BBC continues to transform how it delivers its content, there may come a time when the BBC should be given additional flexibility to respond to changing audience habits and to have more scope to structure its original programming across the range of its TV services and BBC iPlayer, where it best meets audience needs. In particular, a service neutral original productions quota would allow the BBC to determine how best to deliver this content across all its TV and online services.
- 10.8 As part of the Mid-Term Review, we therefore recommend that the government consider amending the Agreement so that Ofcom is no longer required to set original production quotas on each TV service. Instead, Ofcom would be required to set original productions quotas that give the BBC flexibility to decide on which TV and online services they would meet the quotas.



A1. Glossary

Acquisitions: programmes not commissioned by or for the BBC, but which are broadcast or made available on a BBC service.

At-risk genres: genres that provide a particular contribution to the Mission and Public Purposes and are underprovided or in decline across public service broadcasting, including music, arts, religion and other specialist factual content, comedy, and children's programming.

Broadcaster video on-demand (BVoD): free video on-demand services from the major broadcasters, including BBC iPlayer, ITV Hub, All 4, My5 (these services offer more than just video on-demand but are referred to as BVoD for ease of reference).

Broadcast TV: also known as linear TV – television programmes shown on a TV channel.

First-run UK originations: programmes commissioned by or for a BBC television service which have not been shown on television or made available online in the UK previously.

Mid-Term Review of the BBC Charter: the Charter states that the Secretary of State may undertake a mid-term review focusing on the governance and regulatory arrangements for the BBC. The Review must not be undertaken before 2022 and must be completed by 2024.²⁹²

On-demand content: this is content available for people to access at a time of their own choosing, selected from a catalogue of programmes offered by a service provider (e.g., BBC iPlayer).

Opt-out service: the national or regional variation of a BBC channel (for example, BBC Two Wales).

Original productions: programmes commissioned by or for a BBC television service, including repeats.

Public service broadcasters (PSBs): the BBC, the Channel 3 licensees (ITV and STV), Channel 4, Channel 5 and S4C.

Service neutral: the delivery of content via broadcast TV or radio, or online.

Subscription video on-demand (SVoD): paid for subscription video on-demand services such as Netflix, Amazon Prime Video and NOW. While these services offer more than just video on-demand (e.g., streaming, broadcast pay-TV channels, as well as content to own or rent), they are categorised as SVoD for ease of reference in this consultation.

²⁹² Department for Digital, Culture, Media & Sport, 26 May 2022. [BBC Mid-Term Review: Terms of Reference](#).



A2. Comparison between the current and draft Operating Licence

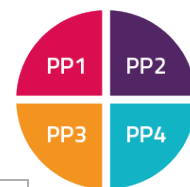
The purpose of this section

- A2.1 Our proposed Licence retains some conditions from the current Licence, amends and removes others, and adds some new ones. Below is a reference table which sets out for each current Licence condition whether it has been carried over to the proposed Licence and where it can be found.
- A2.2 Each licence condition has been assigned one of the following statuses:
- a) Retained: the condition has been carried over into the proposed licence. This can include small drafting changes (for example to clarify meaning) which do not impact the substance of the condition.
 - b) Amended: the condition has been carried over into the proposed licence with some substantive changes. This can include altering the time period a condition applies to, changing the level of a quota or varying the language of a condition significantly enough to change its impact.
 - c) Replaced: the condition has been replaced by a new requirement of a different sort. This can include a quota being replaced by a more general descriptive condition, a transparency requirement or a combination of different conditions.
 - d) Removed: the condition has been removed from the proposed licence.
- A2.3 The proposed Licence has been compared with the [Consolidated version of the Operating Licence as of 19 May 2022](#).

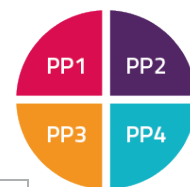


Licence comparison table

Current Licence	Proposed Licence	Status
Public Purpose 1		
2.4	1.4	Retained
2.4.1	1.4.1	Retained
2.4.2	1.4.2	Retained
2.4.3	1.4.3	Retained
2.5	1.5	Retained
2.5A	1.6	Retained
2.6	1.7	Retained
2.6.1	1.7.1	Amended
2.6.2	1.7.2	Retained
2.7	-	Removed
2.7.1	-	Removed
2.7.2	-	Removed
2.8	1.8	Retained
2.8.1	1.8.1, 1.8.2, 1.8.3	Amended
2.8.2	1.8.3	Amended
2.9	1.9	Retained
2.9.1	1.9.1, 1.9.2, 1.9.3	Amended
2.9.2	1.9.3	Amended
2.10	1.10	Retained
2.10.1	1.10.1	Amended
2.10.2	1.10.2	Amended
2.11	1.11	Retained
2.12	1.12	Retained
2.12.1	1.12.1	Retained
2.12.2	1.12.2	Retained
2.13	1.13	Retained
2.13.1	1.13.1	Retained
2.13.2	1.13.2	Retained
2.14	1.14, 1.14.1, 1.14.2	Amended
2.15	1.15, 1.15.1, 1.15.2	Amended
2.16	-	Removed
2.17	1.2	Retained
2.17.1	1.2.3	Retained
2.17.2	1.2.2	Retained
-	1.2.1	New
-	1.3	New
-	1.3.1	New
-	1.3.2	New
-	1.3.3	New



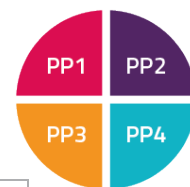
-	1.16	New
-	1.17	New
Public Purpose 2		
2.18	2.2, 3.4.3, 3.14.4	Replaced
2.19	2.2, 3.4.3, 3.14.4	Replaced
2.20	2.2, 3.4.3, 3.14.4	Replaced
2.21	2.2, 3.4.3, 3.14.4	Replaced
2.22	2.5	Retained
2.23	2.2, 3.4.3, 3.14.4	Replaced
2.23.1	2.2, 3.4.3, 3.14.4	Replaced
2.23.2	2.2, 3.4.3, 3.14.4	Replaced
2.24	2.2, 4.48.2, 4.68.4.1, 4.68.4.2	Replaced
2.25	2.2, 3.8.3, 3.14.5.1	Replaced
2.26	2.2, 3.8.3, 3.14.5.1	Replaced
2.27	2.2, 3.8.3	Replaced
2.27.1	2.2, 3.8.3, 3.14.5.2	Replaced
2.27.2	2.2, 3.8.3, 3.14.5.1	Replaced
2.27.3	2.2, 3.8.3, 3.14.5.4	Replaced
2.28	3.11	Retained
2.28.1	3.11.1	Retained
2.28.2	2.2, 3.8.3, 3.14.5.5	Replaced
2.28.3	3.11.2 (see also condition 3.14.5.6)	Replaced
2.28.4	2.2, 3.8.3, 3.14.5.3	Replaced
2.29	2.2, 3.8.3	Replaced
2.29.1	2.2, 3.8.3, 3.14.5.1	Replaced
2.29.2	2.2, 3.8.3, 3.14.5.4	Replaced
2.30	2.2, 3.8.3, 3.14.5.1	Replaced
2.31	2.4	Retained
-	2.2	New
-	2.3	New
-	2.6	New
-	2.7	New
Public Purpose 3		
2.32	3.7	Retained (amended for BBC Four)
2.32.1	3.7.1	Retained
2.32.2	3.7.2	Retained
2.32A	3.7	Retained
2.32A.1	3.7.1	Retained
2.32A.2	3.7.1	Retained
2.33	3.5, 3.14.3	Replaced
2.34	3.5, 3.14.3	Replaced



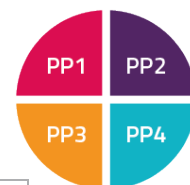
2.34A	3.5, 3.14.3	Replaced
2.35	3.5, 3.14.3	Replaced
2.35A	3.5, 3.14.3	Replaced
2.36	3.5, 3.14.3	Replaced
2.36A	3.5, 3.14.3	Replaced
2.37	5.1, 3.6	Retained
2.37.1	5.1	Retained
2.37.2	3.6	Retained
2.37A	5.1, 3.6	Retained
2.37A.1	5.1	Retained
2.37A.2	3.6	Retained
2.38	3.4.3, 3.14.4	Replaced
2.39	3.9	Retained
2.39.1	3.9.1	Retained
2.39.2	3.9.2	Retained
2.39.3	3.9.3 (see also condition 3.15.3)	Amended
2.39.4	3.9.4	Retained
2.39.5	3.9.5	Retained
2.39.6	3.9.6 (see also condition 3.14.5.7)	Replaced
2.40	3.10	Retained
2.40.1	3.10.1	Retained
2.40.2	3.10.2	Retained
2.40.3	3.10.3	Retained
2.40.4	3.10.4 (see also condition 3.15.3)	Retained
2.40.5	3.10.5	Retained
2.41	3.12 (see also condition 3.15.2)	Retained
-	3.2	New
-	3.2.1	New
-	3.2.2	New
-	3.2.3	New
-	3.2.4	New
-	3.3	New
-	3.4	New
-	3.4.1	New
-	3.4.2	New
-	3.4.4	New
-	3.8	New
-	3.8.1	New
-	3.8.2	New



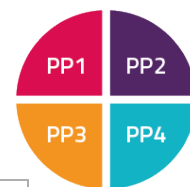
-	3.8.4	New
-	3.13	New
-	3.14	New
-	3.14.1	New
-	3.14.2	New
-	3.15	New
-	3.15.1	New
-	3.15.2	New
-	3.15.3	New
Public Purpose 4		
2.42	4.2	Amended
2.42.1	4.2.1	Amended
2.42.2	4.2.2	Amended
2.42.3	4.2.3	Amended
2.42.4	4.2.4	Amended
2.42.5	4.2.5	Amended
2.43	4.3	Amended
2.44	4.4	Amended
2.44.1	4.4.1	Amended
2.44.2	4.4.2	Amended
2.44.3	4.4.3	Amended
2.45	4.5, 4.6	Amended
2.45.1	4.5	Amended
2.45.2	4.6	Amended
2.46	4.7	Retained
2.47	4.8	Retained
2.47.1	4.8.1	Retained
2.47.2	4.8.2	Retained
2.47.3	4.8.3	Retained
2.48	4.9	Retained
2.49	4.11	Retained
2.49.1	4.11.1	Retained
2.49.2	4.11.2	Retained
2.50	4.12	Retained
2.50.1	4.12.1	Retained
2.50.2	4.12.2	Amended
2.50.3	4.12.3	Amended
2.50.4	4.12.4	Retained
2.51	4.13	Retained
2.52	4.14	Retained
2.52A	4.25	Retained
2.53	4.15	Retained
2.53.1	4.15.1	Retained



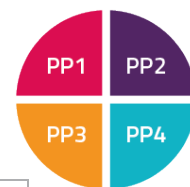
2.53.1 (numbering error, should be 2.53.2)	4.15.2	Retained
2.53.2 (numbering error, should be 2.53.3)	4.15.3	Retained
2.54	4.16	Retained
2.54.1	4.16.1	Retained
2.54.2	-	Removed
2.54.3	4.16.2	Retained
2.55	4.17	Retained
2.56	4.18	Retained
2.56.1	4.18.1	Retained
2.56.2	4.18.2	Retained
2.57	4.19	Retained
2.58	4.20	Retained
2.58.1	-	Removed
2.58.2	4.20.1	Retained
2.58.3	4.20.2	Retained
2.59	4.21	Retained
2.60	4.22	Retained
2.60.1	-	Removed
2.60.2	4.22.1	Retained
2.60.3	4.22.2	Retained
2.61	4.23	Retained
2.62	4.24	Retained
2.63	4.27	Retained
2.64	4.28	Amended
2.65	4.29	Retained
2.65.1	4.29.1	Retained
2.65.2	4.29.2	Retained
2.65.3	4.29.3	Retained
2.65.4	4.29.4	Retained
2.65.5	4.29.5	Retained
2.66	4.30	Retained
2.67	4.31	Retained
2.67.1	-	Removed
2.67.2	4.31.1	Retained
2.67.3	4.31.2	Retained
2.67.4	4.31.3	Retained
2.67.5	-	Removed
2.67.6	4.31.4	Retained
2.67.7	-	Removed
2.67.8	4.31.5	Retained
2.68	4.32	Retained



2.69	4.33	Retained
2.70	4.34	Retained
2.71	4.35	Retained
2.71.1	4.35.1	Retained
2.71.2	4.35.2	Retained
2.72	4.36	Retained
2.72.1	4.40.1 (core hours); 4.40.2 (breakfast peak)	Retained core hours condition; amended breakfast peak condition
2.72.2	4.36.1	Retained
2.72.3	4.36.2	Retained
2.72.4	4.36.3	Retained
2.72.5	4.36.4	Retained
2.72.6	4.36.5	Retained
2.73	5.1	Retained
2.74	4.40	Retained
2.74.1	4.40.3	Retained
2.74.2	4.40.5	Retained
2.75	4.40.6	Amended
2.76	4.41	Amended
2.77	4.38	Retained
2.77.1	4.38.1	Retained
2.77.2	4.38.2	Retained
2.78	4.46	Retained
2.78.1	4.46.1	Retained
2.78.2	4.46.2, 4.68.3.1, 4.68.3.2	Replaced
2.79	4.42	Retained
2.80	4.47	Retained
2.80.1	4.42	Retained
2.80.2	4.42	Retained
2.80.3	4.47.1	Retained
2.80.4	-	Removed
2.80.5	4.47.2	Retained
2.81	4.48, 4.48.1	Retained
2.82	4.49	Retained
2.82.1	4.49.1, 4.49.2	Amended
2.82.2	4.49.3	Retained
2.82.3	4.42, 4.43	Retained
2.83	4.50, 4.43	Retained
2.83.1	4.50	Retained
2.83.2	4.42, 4.43	Retained
2.84	4.44	Retained
2.84.1	4.44.1	Retained
2.84.2	4.44.3	Retained



2.84.3	4.44.2	Retained
2.85	4.55	Retained
2.85.1	4.55.1	Retained
2.85.2	4.55.2, 4.68.3.1, 4.68.3.2	Replaced
2.86	4.51	Retained
2.87	4.56, 4.68.3.1, 4.68.3.2	Replaced
2.88	4.57	Retained
2.88.1	4.57.1, 4.57.2	Amended
2.88.2	4.51, 4.52	Retained
2.89	4.58	Retained
2.89.1	4.58.1, 4.58.2	Amended
2.89.2	4.51, 4.52	Amended
2.90	4.53	Retained
2.90.1	4.53.1	Retained
2.90.2	4.53.3	Retained
2.90.3	4.53.2	Retained
2.91	4.63	Retained
2.91.1	4.63.1	Retained
2.91.2	4.63.2, 4.68.3.1, 4.68.3.2	Replaced
2.92	4.59	Retained
2.93	4.64, 4.68.3.1, 4.68.3.2	Replaced
2.94	4.65	Amended
2.95	4.66	Retained
2.95.1	4.66.1, 4.66.3	Amended
2.95.2	4.66.2, 4.66.3	Amended
2.95.3	4.59, 4.60	Retained
2.95.4	4.66.4	Retained
2.96	4.61	Retained
2.96.1	4.61.1	Retained
2.96.2	4.61.3	Retained
2.96.3	4.61.2	Retained
2.97	-	Removed
-	4.1	New
-	4.8.4	New
-	4.8.5	New
-	4.10	New
-	4.37	New
-	4.39	New
-	4.39	New
-	4.40.4	New
-	4.42	New
-	4.43	New
-	4.45	New



-	4.47.3	New
-	4.51	New
-	4.52	New
-	4.54	New
-	4.59	New
-	4.60	New
-	4.62	New
-	4.67	New
-	4.68	New
-	4.68.1	New
-	4.68.2	New
-	4.68.3	New
-	4.68.3.1	New
-	4.68.3.2	New
-	4.68.4	New
-	4.68.4.1	New
-	4.68.4.2	New
-	4.68.5	New
-	4.68.5.1	New
-	4.68.5.2	New
-	4.69	New
Definitions and interpretation		
3.1	5.1	Amended
3.2	5.2	Retained
3.3	-	Removed
3.4	5.3	Retained
3.5	5.4	Retained
3.6	5.5	Retained
3.7	4.26, 4.26.1	Amended
3.8	4.26, 4.26.2	Amended



A3. Equality Impact Assessment

Introduction

- A3.1 Ofcom is required by statute to assess the potential impact of all our functions, policies, projects and practices on the following equality groups: age, disability, gender, gender reassignment, pregnancy and maternity, race, religion or belief and sexual orientation.²⁹³ We refer to groups of people with these protected characteristics as 'equality groups'. We fulfil these obligations by carrying out an Equality Impact Assessment (EIA), which examines the potential impact our proposed policy is likely to have on people, depending on their personal circumstances. EIAs also assist us in making sure that we are meeting our principal duty of furthering the interests of citizens and consumers, regardless of their background and identity.
- A3.2 Ofcom has separate but complementary duties under Northern Ireland's equality legislation. This requires Ofcom to screen policies for their impact on equality of opportunity and/or good relations in each of the nine equality categories identified for Northern Ireland.

The aims of our consultation

- A3.3 The consultation sets out our proposed approach for holding the BBC to account for the delivery of its Mission and Public Purposes. We are consulting on setting conditions for a new Operating Licence. We consider that securing delivery of the BBC's Mission and Public Purposes under this Licence will bring benefits to audiences in general, and specifically to equality groups.

Equality impact assessment

- A3.4 We have conducted an EIA and set out a summary of our assessment below. First, we consider our proposals by each public purpose, then consider our duties in relation to Northern Ireland and finally set out proposals for BBC4.
- A3.5 The requirement for the BBC to 'serve all audiences' remains a key consideration in setting this Operating Licence.²⁹⁴ We therefore consider that the proposed Licence conditions would have some relevance to the equality groups and could particularly have a positive impact on the following diversity groups:
- a) younger audiences;
 - b) women;
 - c) people with disabilities;
 - d) black, Asian, and ethnic minority communities;

²⁹³ As defined in the Equality Act 2010.

²⁹⁴ The BBC's Mission, as defined in the Charter, requires it "to act in the public interest, **servicing all audiences** through the provision of impartial, high-quality and distinctive output and services which inform, educate, and entertain".



- e) people who identify with a particular religion; and
- f) people who identify as lesbian, gay or bisexual.

- A3.6 We also consider that the proposed Licence conditions could benefit additional groups of citizens and consumers, beyond the equality groups, such as people living in the nations and regions, those from lower socio-economic groups, and those who rely on broadcast TV and radio.
- A3.7 Below, we summarise the proposals for a new Operating Licence by Public Purpose, and highlight the conditions we think would be particularly relevant to these equality groups.

Public Purpose 1 – news and current affairs

- A3.8 Providing high quality, trusted and accurate news is central to the BBC's remit. For this reason, we propose to retain the existing quotas to ensure such output is readily available. We recognise that audiences are consuming more news online, so also propose to introduce new requirements for the BBC to make news and current affairs programmes available each day on both BBC iPlayer and BBC Sounds.
- A3.9 We believe that new requirements to make news and current affairs available each day online should benefit younger audiences, who are more likely to access content online (conditions 1.2 and 1.3). However, the BBC will still be required to deliver news and current affairs on its broadcast services to ensure all audiences are well served (conditions 1.4-1.17) which could particularly benefit older people who may prefer using traditional broadcast services, or people from lower socio-economic groups who may not have access to the internet at home.²⁹⁵ We also note that audiences across the UK nations and regions will continue to benefit from local news and current affairs (see public purpose 4 below). Finally, we consider that retaining the radio news quotas for BBC Radio 1Xtra (condition 1.9) and BBC Asian Network (condition 1.15) will continue to help reach and serve minority ethnic and Asian audiences with news output.

Public Purpose 2 - learning

- A3.10 The BBC is an important provider of learning content for audiences of all ages, and it has performed strongly to date in delivering this content. Our proposals therefore focus on strengthening the information the BBC publishes about how it is delivering Public Purpose 2, as well as allowing the BBC more flexibility to determine how best to deliver learning content for audiences of all ages across its broadcast and online services.
- A3.11 We consider that requiring the BBC to provide learning content for adults and children of all ages across its broadcast and online services will ensure the BBC continues to facilitate and encourage learning for different age groups (conditions 2.1-2.7). We recognise there is a risk that audiences without access to the internet at home could lose out, for example children and teenagers from lower socio-economic backgrounds may not be able to access the BBC's formal learning content online. However, the BBC will still be required to provide

²⁹⁵ 20% of those aged 65 and over, and 14% of those in lower socio-economic groups, do not have access to the internet at home (Ofcom Adults' Media Literacy Tracker 2021: CATI omnibus survey).



learning content for different age groups on its broadcast services (conditions 2.2, 2.3, 2.5 and 2.6).

Public Purpose 3 - distinctiveness

- A3.12 Distinctiveness is core to the BBC – it must offer output and services that are substantially different to comparable providers. Original UK content is the foundation of distinctiveness, and we therefore propose to retain quotas for original productions and first-run UK originations, while allowing the BBC flexibility to deliver some first-run output on BBC iPlayer. For genres, documentaries and some music programming, we propose to replace quotas with obligations that require transparency from the BBC on its plans and performance. For the remaining radio conditions, we propose to retain quotas that we consider play a particularly important role in ensuring the BBC is distinctive.
- A3.13 We consider that allowing the BBC to deliver some original UK content on both broadcast and online services will benefit some audience groups, including younger people (condition 3.5). We recognise however that there is a potential risk to allowing the BBC greater flexibility in how it delivers at-risk genres (conditions 3.2, 3.4 and 3.8). For example, people with different religions or beliefs could be negatively impacted if the BBC significantly reduced its religious programming. However, the BBC will still be required to deliver a breadth of content including at risk genres and in addition, to set out its plans for delivery and provide reasoning for any significant changes, for example, any changes in output levels. Where appropriate, we will assess the changes the BBC plans to make and consider the possible impact on audiences including equality groups.

Public Purpose 4 – nations and regions, and diversity

- A3.14 The BBC must reflect, represent, and serve the diverse communities of all the UK's nations and regions, and in doing so, support the creative economy across the UK. For this reason, we propose to retain quotas for national and regional news and current affairs, as well as for production in the nations and regions. We also propose to strengthen the transparency requirements that seek to hold the BBC to account for how it represents the diverse communities of the UK, both on- and off-screen. Consistent with our proposals to remove quotas for genres, we are also proposing to replace the BBC's non-news and non-current affairs programming quotas on the national and regional versions of BBC One and BBC Two with obligations that require transparency from the BBC on its plans and performance.
- A3.15 The diversity focus of Public Purpose 4 makes the proposed Licence conditions in this area particularly pertinent to the equality groups. For example, condition 4.1 is designed to ensure that the BBC demonstrates how its services have reflected, represented, and served the diverse communities of the whole of the UK in the previous year. In addition, conditions 4.2-4.6 provide additional reporting requirements to ensure the BBC makes progress towards meeting its representation and portrayal targets. We propose to amend these conditions to require the BBC to publish such information publicly, rather than reporting directly to Ofcom, to increase transparency and accountability. The BBC is an industry leader in the amount of diversity information it collects and publishes, and we will work with all broadcasters – including the BBC - over the coming years to encourage them



to collect and share a richer set of data on the diversity of their workforces. We consider this should deliver a range of positive impacts for the equality groups listed above.

- A3.16 In addition, we believe the proposed Licence conditions will benefit speakers and learners of indigenous languages. For example, conditions 4.44.3, 4.53.3 and 4.61.3 are designed to ensure the BBC provides content in Gaelic, Welsh, and Irish and Ulster-Scots respectively on BBC Online. We also consider that replacing the quota on BBC ALBA with a licence condition (condition 4.48.2) and transparency requirements (condition 4.68.4), and permitting BBC iPlayer content to count towards these requirements, will allow more audiences to access Gaelic learning content, and require the BBC to be more transparent about how it is delivering this output.

Northern Ireland

- A3.17 The current Operating Licence requires the BBC to produce a range of programmes for viewers and listeners in Northern Ireland, and to produce programmes in Northern Ireland that will be broadcast across the UK. We propose to retain these requirements with some amendments to acknowledge changes in the media landscape and in audience habits. For example, allowing content delivered on the BBC's online services to count towards some of its quotas. On this basis, we do not believe our policy approach will have an adverse impact on any of the Northern Ireland equality categories. Therefore, our initial conclusion is that the policy approaches outlined in this document do not require a more detailed Equality Impact Assessment in relation to Northern Ireland.

BBC Four requested changes

- A3.18 We have also considered how changes the BBC has requested for current Licence conditions 2.21 and 2.32 in respect of BBC Four, and our corresponding proposals, might impact on different equality groups.²⁹⁶ Overall, we consider the changes could have a positive impact on younger audiences and audiences from C2DE households, as they would enable the BBC to deliver more new arts and music content (an at-risk genre) through BBC Two and BBC iPlayer instead of BBC Four. Currently BBC Two reaches 37% of C2DE individuals and 15% of under 35s, compared with 10% and 2% respectively for BBC Four,²⁹⁷ and therefore we consider these proposed changes could help the BBC serve a wider audience. Meanwhile, under the proposed changes, BBC Four's viewership would continue to have access to arts and music content on BBC Four, including through its archive and acquisitions, as well as gaining access to new arts and music content through BBC Two, which our analysis suggests the vast majority of BBC Four's audience watches as well.²⁹⁸

²⁹⁶ The BBC's request and our proposals are set out at paragraphs 8.65 to 8.83. The BBC's submission is enclosed at Annex 10 to this consultation.

²⁹⁷ BARB 28-day consolidated, average weekly reach 15+ consecutive minutes, 2021.

²⁹⁸ Our own analysis of BARB data shows that in Q4 of 2021, 98% of BBC Four viewers also watched BBC Two.



A4. Legal framework

- A4.1 Ofcom's power to regulate the BBC is derived from the Communications Act 2003 (the Act),²⁹⁹ which sets out that for the purposes of the carrying out of regulation of the BBC, we will have such powers and duties as may be conferred on us by or under the Royal Charter for the continuance of the British Broadcasting Corporation (the Charter)³⁰⁰ and the Agreement between the Secretary of State for Culture, Media and Sport, and the BBC (the Agreement).³⁰¹
- A4.2 Ofcom's general duties under section 3 of the Act also apply to the exercise of our functions in relation to the BBC.³⁰² These include our principal duty to further the interests of citizens in relation to communications matters, and to further the interests of consumers in relevant markets, where appropriate by promoting competition. In performing our duties, we must have regard to the principles under which regulatory activities should be proportionate, consistent and targeted only at cases in which action is needed. The Act also requires us to have regard, as appropriate, to certain other principles we consider relevant. We consider the following principles in the Act to be relevant to this Statement:
- a) the desirability of promoting the fulfilment of the purposes of public service television broadcasting in the UK;
 - b) the needs of persons with disabilities, of the elderly, and of those on low incomes;
 - c) the opinions of consumers in relevant markets and of members of the public generally; and
 - d) the different interests of persons in the different parts of the UK, of the different ethnic communities within the UK and of persons living in rural and in urban areas.³⁰³
- A4.3 Under the Charter, Ofcom is required to have regard, in carrying out its functions in relation to the BBC, to such of the following as appear to us to be relevant in the circumstances:³⁰⁴
- a) The object of the BBC to fulfil its mission³⁰⁵ and promote the public purposes;
 - b) The desirability of protecting fair and effective competition in the UK; and
 - c) The requirement for the BBC to comply with its general duties.³⁰⁶

²⁹⁹ Section 198 of the Act.

³⁰⁰ [The Charter](#).

³⁰¹ [The Agreement](#).

³⁰² Article 45(1) of the Charter.

³⁰³ Section 3(4) of the Act.

³⁰⁴ Article 45(2) of the Charter.

³⁰⁵ The BBC's mission is to act in the public interest, serving all audiences through the provision of impartial, high-quality and distinctive output and services which inform, educate and entertain (article 5 of the Charter).

³⁰⁶ The BBC's general duties are set out at Articles 9 to 18 of the Charter and include, amongst others, the duty to promote technological innovation, including by focusing on technological innovation to support the delivery of the UK Public Services. The Agreement also imposes certain general obligations on the BBC. These include, at Clause 61, a requirement for the BBC to do all that is reasonably practicable to ensure that viewers, listeners and other users (as the case may be)



- A4.4 Out of the five public purposes,³⁰⁷ the following are relevant to this consultation:³⁰⁸
- a) Public Purpose 1: To provide impartial news and information to help people understand and engage with the world around them;
 - b) Public Purpose 2: To support learning for people of all ages;
 - c) Public Purpose 3: To show the most creative, highest quality and distinctive output and services; and
 - d) Public Purpose 4: To reflect, represent and serve the diverse communities of all of the United Kingdom's nations and regions and, in doing so, support the creative economy across the United Kingdom.
- A4.5 We note that, by virtue of article 20(3)(d) of the Charter, the BBC is required to set performance measures (and targets for those measures where appropriate) and to collect such information as is necessary to assess the performance of the UK Public Services³⁰⁹ in fulfilling the mission and promoting the public services.³¹⁰
- A4.6 Separately, by virtue of article 46(4) of the Charter, Ofcom may set performance measures (further to those set by the BBC), and may collect such information as is necessary, to assess the performance of the UK Public Services in fulfilling the mission and promoting the public purposes.³¹¹ In addition, Ofcom may require the BBC to collect such information as we consider necessary for the performance measures.³¹²
- A4.7 In addition to setting performance measures, we are required to set an operating licence (the 'Operating Licence') containing a set of regulatory conditions with which the BBC must comply.³¹³ The Charter states that the Operating Licence must contain regulatory conditions Ofcom considers appropriate for requiring the BBC to:
- a) Fulfil its mission and promote the public purposes;
 - b) Secure the provision of distinctive output and services; and
 - c) Secure that audiences in Scotland, Wales, Northern Ireland, and England are well served.³¹⁴
- A4.8 The duty to secure the provision of distinctive output and services³¹⁵ is particularly relevant to a number of the conditions we are proposing to set in the second Operating Licence.

are able to access the UK Public Services that are intended for them, or elements of their content, in a range of convenient and cost effective ways which are available or might become available in the future. These could include (for example) broadcasting, streaming or making content available on demand, whether by terrestrial, satellite, cable or broadband networks (fixed or wireless) or via the internet.

³⁰⁷ Article 6 of the Charter.

³⁰⁸ The BBC's delivery of its fifth public purpose, reflecting the UK to the world, will be achieved primarily through the BBC World Service and BBC Worldwide. The second Operating Licence will not cover the BBC World Service; responsibility for setting a licence for the BBC World Service lies with the BBC (clause 34 of the Agreement).

³⁰⁹ The UK Public Services are set out in a list maintained and published by the BBC: [List of the UK Public Services](#).

³¹⁰ Clause 14(1) of the Agreement.

³¹¹ Clause 14(2) of the Agreement.

³¹² Clause 14(4) of the Agreement.

³¹³ Under the Charter and the Agreement, Ofcom is required to set an operating licence for the BBC's UK Public Services.

³¹⁴ Article 46(3) of the Charter.

³¹⁵ This duty is reiterated in paragraph 1(1) of Schedule 2 to the Agreement, which states that "[i]n imposing the regulatory conditions Ofcom must have particular regard to the need for the BBC to secure the provision of distinctive output and services".



- A4.9 Schedule 2 of the Agreement contains some further rules regarding the regulatory conditions that Ofcom must impose through the Operating Licence. Amongst other things, it provides that: Ofcom should have particular regard, in imposing the regulatory conditions, to the need for the BBC to secure the provision of distinctive output and services.
- A4.10 We are also required to set original productions requirements for each of the UK Public Television Services.³¹⁶ The proportion determined by Ofcom for the purposes of the original productions requirement must, in the case of each service, be such proportion as Ofcom consider appropriate for ensuring the service is consistently of a high quality.³¹⁷
- A4.11 We may amend the Operating Licence following consultation with the BBC and any person we consider appropriate. We issued the first Operating Licence in October 2017³¹⁸ and it has been subsequently amended a few times since 2017.³¹⁹
- A4.12 In addition to setting an Operating Licence, we are also required to publish an operating framework.³²⁰ The operating framework is a series of documents that cover the full range of our regulatory duties in the three areas of content standards, competition, and performance. The operating framework for BBC regulation includes the 'Procedures for setting and amending the Operating Licence' (the 'Procedures')³²¹ which explain how we set and administer the Operating Licence regime and the procedures to be followed.
- A4.13 The Procedures set out considerations to which Ofcom will have regard when setting or amending the Operating Licence, including the relevant legal framework, enforceable nature of operating licence conditions and the desirability of ensuring that regulatory conditions are clear and capable of enforcement in the event of non-compliance.³²² This consultation follows the procedures (and applies the considerations it lists) together with Ofcom's consultation principles (see Annex 5).

³¹⁶ Paragraph 5(1) of Schedule 2 to the Agreement.

³¹⁷ Paragraph 5(2) of Schedule 2 to the Agreement.

³¹⁸ Ofcom, 2017 (updated February 2022). [Operating licence for the BBC's UK Public Services \(ofcom.org.uk\)](https://www.ofcom.org.uk/consult/condocs/operatinglicence/operatinglicence170222/operatinglicence170222.pdf).

³¹⁹ For changes to the Operating Licence, see the [Operating Framework webpage](#).

³²⁰ Article 46(2) of the Charter and Clause 5(1) of the Agreement.

³²¹ Ofcom, 2017. [Holding the BBC to account for delivering for audiences: Procedures for setting and amending the operating licence](#).

³²² [The Procedures](#), paragraphs 1.11 to 1.20.



A5. Responding to this consultation

How to respond

- A5.1 Ofcom would like to receive views and comments on the issues raised in this document, by 5pm on 14 September 2022.
- A5.2 You can download a response form from <https://www.ofcom.org.uk/consultations-and-statements/category-1/modernising-bbc-operating-licence>. You can return this by email or post to the address provided in the response form.
- A5.3 If your response is a large file, or has supporting charts, tables or other data, please email it to bbcoperatinglicencereview@ofcom.org.uk, as an attachment in Microsoft Word format, together with the cover sheet.
- A5.4 Responses may alternatively be posted to the address below, marked with the title of the consultation:
- BBC Operating Licence review team
Ofcom
Riverside House
2A Southwark Bridge Road
London SE1 9HA
- A5.5 We welcome responses in formats other than print, for example an audio recording or a British Sign Language video. To respond in BSL:
- send us a recording of you signing your response. This should be no longer than 5 minutes. Suitable file formats are DVDs, wmv or QuickTime files; or
 - upload a video of you signing your response directly to YouTube (or another hosting site) and send us the link.
- A5.6 We will publish a transcript of any audio or video responses we receive (unless your response is confidential)
- A5.7 We do not need a paper copy of your response as well as an electronic version. We will acknowledge receipt of a response submitted to us by email.
- A5.8 You do not have to answer all the questions in the consultation if you do not have a view; a short response on just one point is fine. We also welcome joint responses.
- A5.9 It would be helpful if your response could include direct answers to the questions asked in the consultation document. The questions are listed at Annex 4. It would also help if you could explain why you hold your views, and what you think the effect of Ofcom's proposals would be.

Confidentiality

- A5.10 Consultations are more effective if we publish the responses before the consultation period closes. In particular, this can help people and organisations with limited resources



or familiarity with the issues to respond in a more informed way. So, in the interests of transparency and good regulatory practice, and because we believe it is important that everyone who is interested in an issue can see other respondents' views, we usually publish responses on the Ofcom website at regular intervals during and after the consultation period.

- A5.11 If you think your response should be kept confidential, please specify which part(s) this applies to, and explain why. Please send any confidential sections as a separate annex. If you want your name, address, other contact details or job title to remain confidential, please provide them only in the cover sheet, so that we don't have to edit your response.
- A5.12 If someone asks us to keep part or all of a response confidential, we will treat this request seriously and try to respect it. But sometimes we will need to publish all responses, including those that are marked as confidential, in order to meet legal obligations.
- A5.13 To fulfil our pre-disclosure duty, we may share a copy of your response with the relevant government department before we publish it on our website. This is the Department for Business, Energy and Industrial Strategy (BEIS) for postal matters, and the Department for Culture, Media and Sport (DCMS) for all other matters.
- A5.14 Please also note that copyright and all other intellectual property in responses will be assumed to be licensed to Ofcom to use. Ofcom's intellectual property rights are explained further in our Terms of Use.

Next steps

- A5.15 Following this consultation period, Ofcom plans to publish a statement in early 2023.
- A5.16 If you wish, you can register to receive mail updates alerting you to new Ofcom publications.

Ofcom's consultation processes

- A5.17 Ofcom aims to make responding to a consultation as easy as possible. For more information, please see our consultation principles in Annex 2.
- A5.18 If you have any comments or suggestions on how we manage our consultations, please email us at consult@ofcom.org.uk. We particularly welcome ideas on how Ofcom could more effectively seek the views of groups or individuals, such as small businesses and residential consumers, who are less likely to give their opinions through a formal consultation.



A5.19 If you would like to discuss these issues, or Ofcom's consultation processes more generally, please contact the corporation secretary:

Corporation Secretary
Ofcom
Riverside House
2a Southwark Bridge Road
London SE1 9HA
Email: corporationsecretary@ofcom.org.uk



A6. Ofcom's consultation principles

Ofcom has seven principles that it follows for every public written consultation:

Before the consultation

- A6.1 Wherever possible, we will hold informal talks with people and organisations before announcing a big consultation, to find out whether we are thinking along the right lines. If we do not have enough time to do this, we will hold an open meeting to explain our proposals, shortly after announcing the consultation.

During the consultation

- A6.2 We will be clear about whom we are consulting, why, on what questions and for how long.
- A6.3 We will make the consultation document as short and simple as possible, with an overview of no more than two pages. We will try to make it as easy as possible for people to give us a written response.
- A6.4 We will consult for up to ten weeks, depending on the potential impact of our proposals.
- A6.5 A person within Ofcom will be in charge of making sure we follow our own guidelines and aim to reach the largest possible number of people and organisations who may be interested in the outcome of our decisions. Ofcom's Consultation Champion is the main person to contact if you have views on the way we run our consultations.
- A6.6 If we are not able to follow any of these seven principles, we will explain why.

After the consultation

- A6.7 We think it is important that everyone who is interested in an issue can see other people's views, so we usually publish the responses on our website at regular intervals during and after the consultation period. After the consultation we will make our decisions and publish a statement explaining what we are going to do, and why, showing how respondents' views helped to shape these decisions.



A7. Consultation coversheet

BASIC DETAILS

Consultation title:

To (Ofcom contact):

Name of respondent:

Representing (self or organisation/s):

Address (if not received by email):

CONFIDENTIALITY

Please tick below what part of your response you consider is confidential, giving your reasons why

Nothing

Name/contact details/job title

Whole response

Organisation

Part of the response

If there is no separate annex, which parts? _____

If you want part of your response, your name or your organisation not to be published, can Ofcom still publish a reference to the contents of your response (including, for any confidential parts, a general summary that does not disclose the specific information or enable you to be identified)?

DECLARATION

I confirm that the correspondence supplied with this cover sheet is a formal consultation response that Ofcom can publish. However, in supplying this response, I understand that Ofcom may need to publish all responses, including those which are marked as confidential, in order to meet legal obligations. If I have sent my response by email, Ofcom can disregard any standard e-mail text about not disclosing email contents and attachments.

Ofcom aims to publish responses at regular intervals during and after the consultation period. If your response is non-confidential (in whole or in part), and you would prefer us to publish your response only once the consultation has ended, please tick here.

Name

Signed (if hard copy)



A8. Consultation questions

A8.1 We request stakeholders' views and evidence on the following questions:

Question 1: What are stakeholder views on how Ofcom should assess and measure BBC performance?

Question 2: Do you agree with the proposals for Public Purpose 1? If not, please explain why.

Question 3: Do you agree with the proposals for Public Purpose 2? If not, please explain why.

Question 4: Do you agree with the proposals for Public Purpose 3? If not, please explain why.

Question 5: Do you agree with our preliminary view on the BBC's request to change Operating Licence conditions 2.21 and 2.32 for BBC Four, including our proposal to remove BBC Four's peak original productions quota and set the 'all hours' quota at 65% instead of 60% as requested by the BBC? If not, please explain why.

Question 6: Do you agree with the proposals for Public Purpose 4? If not, please explain why.

Question 7: Taken together, do you agree with the proposals for a new Operating Licence? If not, please explain why.

The overview section in this document is a simplified high-level summary only. The proposals we are consulting on, and the reasoning behind them, are set out in the full document.